



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Revenue	112,005	61,767	211,599	154,933
Cost of sales	(95,040)	(54,009)	(178,640)	(131,783)
Gross Profit	16,965	7,758	32,959	23,150
Other Income	1,832	1,048	2,556	2,773
Interest Income	10	6	13	23
Administrative expenses	(10,835)	(10,619)	(21,076)	(20,730)
Selling and marketing expenses	(4,316)	(2,620)	(8,711)	(5,825)
Finance costs	(1,188)	(1,225)	(2,139)	(2,293)
Profit/(loss) before tax	2,468	(5,652)	3,602	(2,902)
Income tax expense	(924)	28	(1,483)	(941)
Profit/(loss) for the period	1,544	(5,624)	2,119	(3,843)
Attributable to:				
Equity holders of the parent	1,196	(5,624)	1,690	(3,843)
Non-controlling interest	348	-	429	-
	1,544	(5,624)	2,119	(3,843)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	2.57	(9.37)	3.53	(6.40)
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 SECOND QUARTER ENDED 30 SEPTEMBER 2013

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Profit/(loss) for the period	1,544	(5,624)	2,119	(3,843)
Other comprehensive income net of tax				
Foreign currency translation	1,761	(478)	660	774
Total comprehensive income for the period	3,305	(6,102)	2,779	(3,069)
Total comprehensive income attributable to:				
Owners of the Parent	2,957	(6,102)	2,350	(3,069)
Non-controlling interest	348	-	429	-
	3,305	(6,102)	2,779	(3,069)

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 30 SEPTEMBER 2013 (UNAUDITED)

	30.09.2013 RM'000 (Unaudited)	31.03.2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	83,694	85,490
Investment Properties	874	880
Prepaid lease payments	2,643	2,600
Other investment	70	70
	<u>87,281</u>	<u>89,040</u>
Current assets		
Inventories	47,090	52,674
Trade receivables	80,654	51,374
Other receivables	9,481	10,465
Other current assets	6,758	5,467
Tax Recoverable	3,490	2,452
Cash and bank balances	29,834	18,989
	<u>177,307</u>	<u>141,421</u>
TOTAL ASSETS	<u>264,588</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	2,485	1,825
Retained earnings	53,680	51,990
	<u>116,181</u>	<u>113,831</u>
Non-controlling interest	<u>429</u>	<u>-</u>
Total Equity	<u>116,610</u>	<u>113,831</u>
Non-Current liabilities		
Borrowings	5,328	7,322
Deferred tax liabilities	603	611
	<u>5,931</u>	<u>7,933</u>
Current liabilities		
Borrowings	94,471	64,594
Trade payables	28,336	28,123
Other payables	19,240	15,980
	<u>142,047</u>	<u>108,697</u>
Total liabilities	<u>147,978</u>	<u>116,630</u>
TOTAL EQUITY AND LIABILITIES	<u>264,588</u>	<u>230,461</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.9360	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.



PCCS Group Berhad

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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	-	-	774	-	(3,843)	(3,069)	-	(3,069)
As at 30 September 2012	<u>60,012</u>	<u>4</u>	<u>2,116</u>	<u>216</u>	<u>55,195</u>	<u>117,543</u>	<u>-</u>	<u>117,543</u>
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>

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 SECOND QUARTER ENDED 30 SEPTEMBER 2013

	6 months ended	
	30.09.2013	30.09.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
- Continuing operations	3,602	(2,902)
Adjustment for:-		
Non-cash items	(2,088)	(156)
Non-operating items (which are investing/financing)	6,388	6,145
Interest expense	2,139	2,293
Interest income	(13)	(23)
Operating profit before changes in working capital	<u>10,028</u>	<u>5,357</u>
Changes in working capital		
Net change in current assets	(21,910)	839
Net change in current liabilities	3,469	11,720
Interest paid	(2,139)	(2,293)
Tax paid	(2,530)	(2,335)
Net cash (used in)/generated from operating activities	<u>(13,082)</u>	<u>13,288</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(2,470)	(7,122)
- Proceeds from disposal of property, plant and equipment	129	357
- Interest received	13	23
Net cash used in investing activities	<u>(2,328)</u>	<u>(6,742)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(711)	(1,138)
- Repayment of term loans	(1,453)	(5,878)
- Increase/(decrease) in short term borrowings	29,968	(3,048)
- Drawdown of HP & lease financing	-	100
Net cash generated from/(used in) financing activities	<u>27,804</u>	<u>(9,964)</u>
Net increase/(decrease) in cash and cash equivalents	12,394	(3,418)
Effects of exchange rate changes	(1,628)	591
Cash and cash equivalents at beginning of financial period	18,256	19,350
Cash and cash equivalents at end of financial period	<u>29,022</u>	<u>16,523</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	29,834	21,395
Bank overdrafts	(812)	(4,872)
	<u>29,022</u>	<u>16,523</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 30 September 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 2:	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		6 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	171,542	82,443	323,996	225,340
Non-apparels	17,162	14,459	34,391	30,418
Total revenue before eliminations	188,704	96,902	358,387	255,758
Eliminations	(76,699)	(35,135)	(146,788)	(100,825)
Total	112,005	61,767	211,599	154,933
Segment Result				
Result from continuing operations:				
Apparels	1,848	(4,436)	3,538	(2,794)
Non-apparels	521	(1,348)	824	(898)
	2,369	(5,784)	4,362	(3,692)
Eliminations	99	132	(760)	790
Total	2,468	(5,652)	3,602	(2,902)

Apparels segment:

The apparels segment's revenue for the quarter ended 30 September 2013 increased by 108.1% or RM89.1 million to RM171.5 million from RM82.4 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 30 September 2013 increased by 18.7% or RM2.7 million to RM17.2 million from RM14.5 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 30 September 2013.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM107 million given to licensed banks in respect of bank facilities granted to subsidiaries during the six months financial period ended 30 September 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 30 September 2013, the Group recorded a higher turnover of RM112.0 million compared to RM61.8 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 RM2.5 million compared to a pre-tax loss of RM5.7 million recorded for the preceding period. The increase in profit was mainly due to overall improved production yield and better sales mix in Apparel operation.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover increase from RM99.6 million recorded in the preceding quarter to RM112.0 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM2.5 million compared to a pre-tax profit RM1.1 million recorded for the preceding quarter. The increase in revenue and pre-tax profit for the current quarter was mainly attributable to increase in sales volume for the current quarter compared with the preceding quarter and higher profit margin of certain orders.

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 6 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Profit/(loss) before tax				
Included in the profit before tax are the following items:				
Interest income	(10)	(6)	(13)	(23)
Interest expenses	1,188	1,225	2,139	2,293
Depreciation	3,135	3,102	6,432	6,277
Provision for doubtful debts	-	(9)	-	468
Impairment loss of other investment	-	(2)	-	3
Goodwill written off	-	-	-	19
Gain on disposal of property, plant and equipment	(36)	(76)	(44)	(135)
Net foreign exchange (gain)/loss	(2,553)	426	(2,092)	(643)

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Malaysian income tax	512	71	666	348
Foreign income tax	412	(99)	817	593
Total income tax expense	924	(28)	1,483	941

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 30 Sep 13 RM'000	As at 30 Sep 12 RM'000
Short term borrowings		
- Bank overdrafts	812	4,872
- Bankers' acceptance	2,736	3,651
- Trade loan/Trust receipts/Export bill financing	59,440	31,966
- Term loans	3,254	4,015
- Revolving credit	26,560	19,445
- Hire purchase and lease payables	1,669	2,511
	<u>94,471</u>	<u>66,460</u>
	As at 30 Sep 13 RM'000	As at 30 Sep 12 RM'000
Long term borrowings		
- Hire purchase and lease payables	1,316	3,224
- Term loans	4,012	2,565
	<u>5,328</u>	<u>5,789</u>
Total	<u>99,799</u>	<u>72,249</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	18,781	60,098
- Chinese, Yuan Renminbi ("RMB")	56,844	29,559
		<u>91,966</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 30 September 2013 is analysed as follows:

	As at 30 Sep'13 RM'000	As at 30 Sep'12 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	58,495	61,611
- Unrealised	(715)	(648)
	<u>57,780</u>	<u>60,963</u>
Less: Consolidation adjustments	(4,100)	(5,768)
Total group retained earnings as per consolidated financial statements	<u>53,680</u>	<u>55,195</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 30 September 2013 (30 September 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 18 November 2013.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
18 November 2013