



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	100,250	98,436	274,667	310,035
Cost of sales	(89,043)	(81,628)	(247,033)	(260,268)
Gross Profit	11,207	16,808	27,634	49,767
Other Income	568	846	2,176	3,402
Interest Income	23	7	63	20
Administrative expenses	(8,235)	(10,806)	(30,003)	(31,882)
Selling and marketing expenses	(4,710)	(4,608)	(10,510)	(13,319)
Finance costs	(1,263)	(1,238)	(3,000)	(3,377)
(Loss)/profit before tax	(2,410)	1,009	(13,640)	4,611
Income tax expense	(3)	(526)	(314)	(2,009)
(Loss)/profit for the period	(2,413)	483	(13,954)	2,602
Attributable to:				
Equity holders of the parent	(2,014)	799	(13,659)	2,489
Non-controlling interest	(399)	(316)	(295)	113
	(2,413)	483	(13,954)	2,602
Earnings per share attributable to equity holders of the parent (sen):				
Basic	(4.02)	0.80	(23.25)	4.34
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 THIRD QUARTER ENDED 31 DECEMBER 2014

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
(Loss)/profit for the period	(2,413)	483	(13,954)	2,602
Other comprehensive income net of tax				
Foreign currency translation	2,505	359	1,144	1,019
Total comprehensive income for the period	92	842	(12,810)	3,621
Total comprehensive income attributable to:				
Owners of the Parent	491	1,158	(12,515)	3,508
Non-controlling interest	(399)	(316)	(295)	113
	92	842	(12,810)	3,621

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 31 DECEMBER 2014 (UNAUDITED)

	31.12.2014 RM'000 (Unaudited)	31.03.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	75,726	76,912
Investment Properties	3,037	3,009
Prepaid lease payments	2,667	2,652
Other investment	-	70
	<u>81,430</u>	<u>82,643</u>
Current assets		
Inventories	42,003	45,821
Trade receivables	62,987	55,555
Other receivables	9,767	5,832
Other current assets	8,493	6,790
Tax Recoverable	875	658
Cash and bank balances	22,627	29,229
	<u>146,752</u>	<u>143,885</u>
TOTAL ASSETS	<u>228,182</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	4,151	3,007
Retained earnings	43,038	56,697
	<u>107,205</u>	<u>119,720</u>
Non-controlling interest	<u>212</u>	<u>507</u>
Total Equity	<u>107,417</u>	<u>120,227</u>
Non-Current liabilities		
Borrowings	4,011	3,868
Deferred tax liabilities	230	231
	<u>4,241</u>	<u>4,099</u>
Current liabilities		
Borrowings	67,512	62,501
Trade payables	24,786	25,090
Other payables	24,226	14,611
	<u>116,524</u>	<u>102,202</u>
Total liabilities	<u>120,765</u>	<u>106,301</u>
TOTAL EQUITY AND LIABILITIES	<u>228,182</u>	<u>226,528</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.7864	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 THIRD QUARTER ENDED 31 DECEMBER 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	-	-	1,019	-	2,489	3,508	113	3,621
As at 31 December 2013	<u>60,012</u>	<u>4</u>	<u>2,518</u>	<u>326</u>	<u>54,479</u>	<u>117,339</u>	<u>113</u>	<u>117,452</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	-	-	1,144	-	(13,659)	(12,515)	(295)	(12,810)
As at 31 December 2014	<u>60,012</u>	<u>4</u>	<u>3,825</u>	<u>326</u>	<u>43,038</u>	<u>107,205</u>	<u>212</u>	<u>107,417</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.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

	9 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation from:		
- Continuing operations	(13,640)	4,611
Adjustment for:-		
Non-cash items	(1,627)	(2,320)
Non-operating items (which are investing/financing)	8,599	9,432
Interest expense	3,000	3,377
Interest income	(63)	(20)
Operating (loss)/profit before changes in working capital	<u>(3,731)</u>	<u>15,080</u>
Changes in working capital		
Net change in current assets	(7,597)	(13,787)
Net change in current liabilities	9,311	1,038
Interest paid	(3,000)	(3,377)
Tax paid	(532)	(2,932)
Net cash used in operating activities	<u>(5,549)</u>	<u>(3,978)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(6,284)	(3,315)
- Proceed from disposal of unit trust	76	-
- Proceeds from disposal of property, plant and equipment	344	175
- Interest received	63	20
Net cash used in investing activities	<u>(5,801)</u>	<u>(3,120)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(1,654)	(1,230)
- Repayment of term loans	(794)	(2,209)
- Increase in short term borrowings	1,414	15,374
- Drawdown of HP & lease financing	710	60
- Drawdown of term loan	3,803	-
Net cash generated from financing activities	<u>3,479</u>	<u>11,995</u>
Net (decrease)/increase in cash and cash equivalents	(7,871)	4,897
Effects of exchange rate changes	(406)	(2,092)
Cash and cash equivalents at beginning of financial period	28,023	18,256
Cash and cash equivalents at end of financial period	<u>19,746</u>	<u>21,061</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	22,627	21,692
Bank overdrafts	(2,502)	(631)
Deposits pledged to banks	(379)	-
	<u>19,746</u>	<u>21,061</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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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 31 December 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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3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	126,688	149,923	363,966	473,919
Non-apparels	19,518	18,945	55,850	53,336
Total revenue before eliminations	146,206	168,868	419,816	527,255
Eliminations	(45,956)	(70,432)	(145,149)	(217,220)
Total	100,250	98,436	274,667	310,035
Segment Result				
Result from continuing operations:				
Apparels	(3,802)	288	(13,284)	3,826
Non-apparels	(672)	944	(1,580)	1,768
	(4,474)	1,232	(14,864)	5,594
Eliminations	2,064	(223)	1,224	(983)
Total	(2,410)	1,009	(13,640)	4,611

Apparels segment:

The apparels segment's revenue for the quarter ended 31 December 2014 decreased by 15.5% or RM23 million to RM126.7 million from RM149.9 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 31 December 2014 increased by 3.0% or RM573 thousand to RM19.5 million from RM18.9 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 31 December 2014.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM76 million given to licensed banks in respect of bank facilities granted to subsidiaries during the nine months financial period ended 31 December 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 31 December 2014, the Group recorded higher revenue of RM100.2 million as compare with RM98.4 million achieved in the previous corresponding period. The increase in Group revenue during the current year was mainly due to the slight increase of sales. The pre-tax loss of the Group for the period under review recorded at RM2.4 million as compare with a pre-tax profit of RM1 million recorded for the preceding period. The decrease in profit was mainly due to rising cost of production.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue increase from RM90.8 million recorded in the preceding quarter to RM100.2 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM2.4 million as compare with a pre-tax loss RM2.2 million recorded for the preceding quarter. The increase in losses was mainly due to lower margin derived from the Apparel business.

16. COMMENTARY ON PROSPECTS

The Group foresees the next quarter to be challenging due to the slowdown in demand from our Apparel customers and increment of minimum wages in Cambodia with effective from 1st January 2015.

The Group will 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 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 9 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000

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

Interest income	(23)	(7)	(63)	(20)
Interest expenses	1,263	1,238	3,000	3,377
Depreciation	2,962	2,992	8,060	9,424
Fixed assets written off	23	1	23	1
Loss on disposal of property, plant and equipment	30	51	552	7
Net foreign exchange gain	(2,557)	(228)	(1,642)	(2,320)



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19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Malaysian income tax	93	157	310	823
Foreign income tax	(90)	369	4	1,186
Total income tax expense	3	526	314	2,009

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 31 Dec 14 RM'000	As at 31 Dec 13 RM'000
Short term borrowings		
- Bank overdrafts	2,502	632
- Bankers' acceptance	3,631	3,770
- Trade loan/Trust receipts/Export bill financing	37,366	48,981
- Term loans	3,389	2,935
- Revolving credit	19,550	21,389
- Hire purchase and lease payables	1,074	1,437
	67,512	79,144
Long term borrowings		
- Hire purchase and lease payables	580	1,088
- Term loans	3,431	3,575
	4,011	4,663
Total	71,523	83,807



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	11,955	40,049
- Hong Kong Dollars ("HKD")	1,789	769
- Chinese, Yuan Renminbi ("RMB")	41,338	22,736
		<u>63,554</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

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

	As at 31 Dec'14 RM'000	As at 31 Dec'13 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	33,820	59,208
- Unrealised	(338)	(715)
	<u>33,482</u>	<u>58,493</u>
Less: Consolidation adjustments	9,556	(4,014)
Total group retained earnings as per consolidated financial statements	<u>43,038</u>	<u>54,479</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 December 2014 (31 December 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 December 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 17 February 2015.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
25 February 2015