



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Revenue	102,043	82,709	530,174	357,376
Cost of sales	(96,847)	(73,311)	(470,222)	(320,344)
Gross Profit	5,196	9,398	59,952	37,032
Other Income	649	5,569	3,907	7,745
Interest Income	23	18	105	81
Administrative expenses	(18,493)	(15,860)	(54,085)	(45,863)
Selling and marketing expenses	(1,624)	(1,340)	(17,041)	(11,850)
Finance costs	(1,243)	(1,055)	(4,955)	(4,055)
Loss before tax	(15,492)	(3,270)	(12,117)	(16,910)
Income tax expense	(1,013)	(171)	(933)	(485)
Loss for the year	(16,505)	(3,441)	(13,050)	(17,395)
Attributable to:				
Equity holders of the parent	(15,847)	(3,806)	(10,769)	(17,465)
Non-controlling interest	(658)	365	(2,281)	70
	(16,505)	(3,441)	(13,050)	(17,395)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	(27.50)	(5.73)	(21.75)	(28.99)
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 2015 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 FOURTH QUARTER ENDED 31 MARCH 2016

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Loss for the year	(16,505)	(3,441)	(13,050)	(17,395)
Other comprehensive (loss)/income net of tax				
Foreign currency translation	(1,907)	2,331	1,572	3,475
Total comprehensive loss for the year	(18,412)	(1,110)	(11,478)	(13,920)
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	(17,932)	(1,553)	(9,375)	(14,068)
Non-controlling interest	(480)	443	(2,103)	148
	(18,412)	(1,110)	(11,478)	(13,920)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2016 (UNAUDITED)

	31.03.2016 RM'000 (Unaudited)	31.03.2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	71,588	73,250
Investment Properties	10,796	11,004
Prepaid lease payments	2,815	2,877
Deferred tax assets	-	412
	<u>85,199</u>	<u>87,543</u>
Current assets		
Inventories	63,969	53,926
Trade receivables	78,406	68,374
Other receivables	3,018	3,515
Other current assets	7,517	7,106
Cash and bank balances	<u>38,033</u>	<u>19,755</u>
	<u>190,943</u>	<u>152,676</u>
TOTAL ASSETS	<u>276,142</u>	<u>240,219</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	7,798	6,404
Retained earnings	<u>28,463</u>	<u>39,232</u>
	96,277	105,652
Non-controlling interest	<u>404</u>	<u>655</u>
Total Equity	<u>96,681</u>	<u>106,307</u>
Non-Current liabilities		
Borrowings	2,025	4,251
Deferred tax liabilities	<u>466</u>	<u>-</u>
	<u>2,491</u>	<u>4,251</u>
Current liabilities		
Borrowings	89,952	60,446
Trade payables	46,165	41,765
Other payables	38,526	25,257
Tax payables	<u>2,327</u>	<u>2,193</u>
	176,970	129,661
Total liabilities	<u>179,461</u>	<u>133,912</u>
TOTAL EQUITY AND LIABILITIES	<u>276,142</u>	<u>240,219</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.6043	1.7605

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2016

	<----- 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 2014	60,012	4	2,681	326	56,697	119,720	507	120,227
Total comprehensive (loss)/income for the year	-	-	3,397	-	(17,465)	(14,068)	148	(13,920)
As at 31 March 2015	<u>60,012</u>	<u>4</u>	<u>6,078</u>	<u>326</u>	<u>39,232</u>	<u>105,652</u>	<u>655</u>	<u>106,307</u>
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	-	-	1,394	-	(10,769)	(9,375)	(2,103)	(11,478)
Issuance of shares of subsidiary	-	-	-	-	-	-	1,852	1,852
As at 31 March 2016	<u>60,012</u>	<u>4</u>	<u>7,472</u>	<u>326</u>	<u>28,463</u>	<u>96,277</u>	<u>404</u>	<u>96,681</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 2015 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

	12 months ended	
	31.03.2016	31.03.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation from:		
- Continuing operations	(12,117)	(16,910)
Adjustment for: -		
Non-cash items	738	767
Non-operating items (which are investing/financing)	10,966	11,191
Interest expense	4,955	4,055
Interest income	(105)	(81)
Operating profit/(loss) before changes in working capital	<u>4,437</u>	<u>(978)</u>
Changes in working capital		
Net change in current assets	(20,725)	(21,423)
Net change in current liabilities	17,669	28,571
Interest paid	(4,955)	(4,055)
Tax paid	79	314
Net cash flows (used in)/from operating activities	<u>(3,495)</u>	<u>2,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(11,754)	(9,998)
- Proceed from disposal of unit trust	-	76
- Proceeds from issuance of shares of subsidiary	1,852	-
- Proceeds from disposal of property, plant and equipment	4,179	626
- Placement of deposit pledged with bank	-	(54)
- Interest received	105	81
Net cash flows used in investing activities	<u>(5,618)</u>	<u>(9,269)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(1,191)	(678)
- Repayment of term loans	(3,618)	(791)
- Decrease/(increase) in short term borrowings	33,607	(3,024)
- Drawdown of HP & lease financing	1,116	-
Net cash flows from/(used in) financing activities	<u>29,914</u>	<u>(4,493)</u>
Net increase/(decrease) in cash and cash equivalents	20,801	(11,333)
Effects of exchange rate changes	111	(750)
Cash and cash equivalents at beginning of financial year	15,940	28,023
Cash and cash equivalents at end of financial year	<u>36,852</u>	<u>15,940</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	38,033	19,755
Bank overdrafts	(741)	(3,394)
Deposits pledged to banks	(440)	(421)
	<u>36,852</u>	<u>15,940</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2015. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2015, except for the adoption of the following Amendments: -

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

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 141 Agriculture: Bearer Plants
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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 and IC Interpretations 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 Initiatives	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

2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2015 was not qualified.



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3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	128,739	100,087	692,354	464,053
Non-apparels	18,334	16,208	78,779	72,058
Total revenue before eliminations	147,073	116,295	771,133	536,111
Eliminations	(45,030)	(33,586)	(240,959)	(178,735)
Total	102,043	82,709	530,174	357,376
Segment Result				
Result from continuing operations:				
Apparels	(13,656)	(5,573)	(14,415)	(18,857)
Non-apparels	4,232	(9,477)	4,989	(11,057)
Eliminations	(6,068)	11,780	(2,691)	13,004
Total	(15,492)	(3,270)	(12,117)	(16,910)

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 2015.

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 2016.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM94 million given to licensed banks in respect of bank facilities granted to subsidiaries during the twelve months financial year ended 31 March 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 31 March 2016, the Group recorded higher revenue of RM102.0 million as compared with RM82.7 million achieved in the previous corresponding quarter. The increase in Group revenue during the current quarter was mainly due to higher revenue from China apparel division. The pre-tax loss of the Group for the quarter under review recorded at RM15.5 million as compared with a pre-tax loss of RM3.3 million recorded for the corresponding quarter of the previous year. The loss was mainly due to poor performance in Cambodia apparel division, as the minimum wages had increased again from 1st January 2016 and the buyer orders taken in are with lower margin and below our budgeted capacity.

The Group's revenue and pre-tax loss for the year ended 31 March 2016 were RM530.2 million and RM12.1 million as compared with RM357.4 million and pre-tax loss of RM16.9 million in the previous corresponding year. The improved performance was mainly due to higher revenue coupled with better productivity and cost control.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue decrease from RM130.5 million recorded in the preceding quarter to RM102.0 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM15.5 million as compared with a pre-tax profit RM1.2 million recorded for the preceding quarter. The decrease in profit was mainly due to poor performance in Cambodia apparel division, as the minimum wages had increased again from 1st January 2016 and the buyer orders taken in are with lower margin and below our budgeted capacity.

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 next quarter.

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		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Included in the loss before tax are the following items:				
Interest income	(23)	(18)	(105)	(81)
Interest expenses	1,243	1,055	4,955	4,055
Depreciation	1,953	2,685	10,776	10,745
Fixed assets written off	454	7	469	30
Loss/(gain) on disposal of property, plant and equipment	83	(130)	(278)	422
Foreign exchange (gain)/ loss	4,414	(2,671)	749	(4,313)

19. INCOME TAX EXPENSE

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	(30)	533	(35)	843
Foreign income tax	86	281	11	285
	<u>56</u>	<u>814</u>	<u>(24)</u>	<u>1,128</u>
Deferred tax	957	(643)	957	(643)
Total income tax expense	<u>1,013</u>	<u>171</u>	<u>933</u>	<u>485</u>

The tax provided in the current year is mainly in respect of certain subsidiaries reporting taxable profits, and the reversing is due to overprovision of prior year's tax.

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 16 RM'000	As at 31 Mar 15 RM'000
Short term borrowings		
- Bank overdrafts	741	3,394
- Bankers' acceptance	2,841	2,854
- Trade loan/Trust receipts/Export bill financing	57,881	23,961
- Term loans	2,651	3,692
- Revolving credit	25,358	25,639
- Hire purchase and lease payables	480	906
	<u>89,952</u>	<u>60,446</u>
Long term borrowings		
- Hire purchase and lease payables	802	451
- Term loans	1,223	3,800
	<u>2,025</u>	<u>4,251</u>
Total	<u>91,977</u>	<u>64,697</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	12,284	48,029
- Hong Kong Dollars ("HKD")	1,008	504
- Chinese, Yuan Renminbi ("RMB")	55,445	33,821
		<u>85,628</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 March 2016 is analysed as follows:

	As at 31 Mar 16 RM'000	As at 31 Mar 15 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	9,815	23,820
- Unrealised	(2,181)	(4,313)
	<u>7,634</u>	<u>19,507</u>
Add: Consolidation adjustments	20,829	19,725
Total group retained earnings as per consolidated financial statements	<u>28,463</u>	<u>39,232</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 31 March 2016 (31 March 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 31 March 2016.

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 27 May 2016.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
31 May 2016