



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Revenue	118,407	168,236	243,813	297,626
Cost of sales	(107,362)	(149,277)	(219,598)	(261,857)
Gross Profit	11,045	18,959	24,215	35,769
Other Income	996	6,056	1,535	7,025
Interest Income	23	27	47	55
Administrative expenses	(15,738)	(14,547)	(28,855)	(27,783)
Selling and marketing expenses	(2,549)	(6,102)	(5,304)	(10,403)
Finance costs	(1,268)	(1,394)	(2,678)	(2,455)
(Loss)/profit before tax	(7,491)	2,999	(11,040)	2,208
Income tax expense	(355)	(360)	(784)	(443)
(Loss)/profit for the period	(7,846)	2,639	(11,824)	1,765
Attributable to:				
Equity holders of the parent	(6,341)	4,003	(9,445)	3,146
Non-controlling interest	(1,505)	(1,364)	(2,379)	(1,381)
	(7,846)	2,639	(11,824)	1,765
Earnings per share attributable to equity holders of the parent (sen):				
Basic	(13.07)	4.40	(19.70)	2.94
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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
(Loss)/profit for the period	(7,846)	2,639	(11,824)	1,765
Other comprehensive (loss)/income net of tax				
Foreign currency translation	178	3,761	27	3,366
Total comprehensive (loss)/income for the period	(7,668)	6,400	(11,797)	5,131
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(6,162)	7,454	(9,425)	6,212
Non-controlling interest	(1,506)	(1,054)	(2,372)	(1,081)
	(7,668)	6,400	(11,797)	5,131

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
(Incorporated in Malaysia)

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

	30.09.2016 RM'000 (Unaudited)	31.03.2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	66,352	71,525
Investment Properties	10,630	10,754
Prepaid lease payments	2,846	2,920
Deferred tax assets	33	89
	<u>79,861</u>	<u>85,288</u>
Current assets		
Inventories	45,771	64,801
Trade receivables	100,783	76,971
Other receivables	3,905	3,728
Other current assets	7,517	9,765
Cash and bank balances	26,037	38,034
	<u>184,013</u>	<u>193,299</u>
TOTAL ASSETS	<u>263,874</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	7,940	7,920
Retained earnings	19,532	28,977
	<u>87,488</u>	<u>96,913</u>
Non-controlling interest	<u>(2,141)</u>	<u>231</u>
Total Equity	<u>85,347</u>	<u>97,144</u>
Non-Current liabilities		
Borrowings	1,238	2,026
	<u>1,238</u>	<u>2,026</u>
Current liabilities		
Borrowings	88,411	89,951
Trade payables	49,701	45,842
Other payables	37,512	38,224
Tax payables	1,665	5,400
	<u>177,289</u>	<u>179,417</u>
Total liabilities	<u>178,527</u>	<u>181,443</u>
TOTAL EQUITY AND LIABILITIES	<u>263,874</u>	<u>278,587</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.4578	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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 2015	60,012	4	6,078	326	39,232	105,652	655	106,307
Total comprehensive loss for the period	-	-	3,066	-	3,146	6,212	(1,081)	5,131
Issuance of shares of subsidiary	-	-	-	-	-	-	1,852	1,852
As at 30 September 2015	60,012	4	9,144	326	42,378	111,864	1,426	113,290
As at 1 April 2016	60,012	4	7,594	326	28,977	96,913	231	97,144
Total comprehensive loss for the period	-	-	20	-	(9,445)	(9,425)	(2,372)	(11,797)
As at 30 September 2016	60,012	4	7,614	326	19,532	87,488	(2,141)	85,347

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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	6 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation from:		
- Continuing operations	(11,040)	2,208
Adjustment for:-		
Non-cash items	-	-
Non-operating items (which are investing/financing)	7,443	5,650
Interest expense	2,678	2,455
Interest income	(47)	(55)
Operating profit before changes in working capital	<u>£ 1,581£©</u>	<u>6,145</u>
Changes in working capital		
Net change in current assets	(2,097)	(41,531)
Net change in current liabilities	3,147	11,117
Interest paid	(2,678)	(2,455)
Tax (paid) / refunded	(4,464)	543
Net cash flows used in operating activities	<u>(7,673)</u>	<u>(26,181)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(6,138)	(9,117)
- Proceeds from issuance of shares of subsidiary	-	1,852
- Proceeds from disposal of property, plant and equipment	4,917	3,737
- Interest received	47	55
Net cash flows used in investing activities	<u>(1,174)</u>	<u>(3,473)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(244)	(641)
- Repayment of term loans	(1,648)	(2,035)
- (Decrease) / increase in short term borrowings	(1,966)	56,050
- Drawdown of HP & lease financing	-	1,041
Net cash flows (used in) / from financing activities	<u>(3,858)</u>	<u>54,415</u>
Net (decrease) / increase in cash and cash equivalents	(12,705)	24,761
Effects of exchange rate changes	(821)	(2,398)
Cash and cash equivalents at beginning of financial period	36,852	15,940
Cash and cash equivalents at end of financial period	<u>23,326</u>	<u>38,303</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	26,037	40,497
Bank overdrafts	(2,253)	(1,717)
Deposits pledged to banks	(458)	(477)
	<u>23,326</u>	<u>38,303</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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements, for the period ended 30 September 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



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	134,832	226,080	290,633	392,720
Labellings	12,564	12,725	24,472	24,893
Others	5,460	6,281	10,855	15,135
Total revenue before eliminations	152,856	245,086	325,960	432,748
Eliminations	(34,449)	(76,850)	(82,147)	(135,122)
Total	118,407	168,236	243,813	297,626
Segment Result				
Result from continuing operations:				
Apparels	(7,851)	695	(12,528)	379
Labellings	910	817	1,663	1,770
Others	(955)	(3,250)	(948)	(3,764)
Eliminations	405	4,737	773	3,823
Total	(7,491)	2,999	(11,040)	2,208

Apparels segment:

The apparels segment's revenue for the quarter ended 30 September 2016 decreased by 40.4% or RM91 million to RM134.8 million from RM226.1 million recorded in the preceding year corresponding quarter. The decrease was due to the reduced of Cambodia factories' sales orders as USA and Canada's order had dropped.

Labelling segment:

The labelling segment's revenue for the quarter ended 30 September 2016 decreased by 1.3% or RM161 thousands to RM12.6 million from RM12.7 million recorded in the preceding year corresponding quarter. The decrease was due to the reduced of sales orders from Cambodia labelling business.

Others segment:

The others segment's revenue for the quarter ended 30 September 2016 decreased by 13.1% or RM800 thousands to RM5.5 million from RM6.3 million recorded in the preceding year corresponding quarter. The decrease was due to the decrease of sales orders from knitting business.

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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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.

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

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 30 September 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 six months financial period ended 30 September 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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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 September 2016, the Group recorded lower revenue of RM118.4 million as compared to RM168.2 million in the previous corresponding quarter. This was mainly due to the decrease in revenue from the Cambodia Apparels Division. Accordingly, the pre-tax loss of the Group for the quarter under review was higher at RM7.5 million as compared to pre-tax profit of RM3.0 million in the previous corresponding quarter. The higher loss incurred was mainly due to the poor performance of Cambodia apparel factories and impairment loss on plant & equipment of RM1.6 million for the current quarter under review.

On a year-to-year basis, the Group recorded lower revenue of RM243.8 million as compared to RM297.6 million achieved in the previous corresponding period as the Group continued to streamline and consolidate its Cambodia apparel operations, which caused the decline in revenue of Apparels Division. The pre-tax loss of the Group for the period under review recorded at RM11.0 million as compared to pre-tax profit of RM2.2 million recorded for the corresponding period. As mentioned in the preceding paragraph, this was mainly due to the poor performance of Cambodia apparel factories and also caused by the impairment loss on plant & equipment of RM2.4 million for the cumulative quarters ended 30 September 2016.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total revenue decreased from RM125.4 million recorded in the preceding quarter to RM118.4 million for the current quarter. The pre-tax loss of the Group recorded at RM7.5 million as compared to a pre-tax loss RM3.5 million recorded for the preceding quarter mainly due to poor performance in Cambodia Apparels Division.

16. COMMENTARY ON PROSPECTS

With the cloudy outlook for Cambodia Apparel Division amid global uncertainties, the management has taken necessary measures in the interest of the Group to streamline and consolidate the operation in Cambodia and focus the business in Labelling and China Apparel Divisions which have been growing all the time. The management would expect further streamlining and consolidation activities to be implemented and completed by end of financial year 31 March 2017 for the Cambodia Apparels Division.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group as no profit forecast or profit guarantee was published.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

18. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Included in the (loss)/profit before tax are the following items:				
Interest income	(23)	(27)	(47)	(55)
Interest expenses	1,268	1,394	2,678	2,455
Depreciation	2,404	3,224	4,884	5,909
Fixed assets written off	129	-	198	-
Bad debts written off	13	-	13	-
Gain on disposal of property, plant and equipment	(42)	(109)	(79)	(259)
Foreign exchange gain	(458)	(4,642)	(628)	(4,113)
Impairment loss on fixed assets	1,615	-	2,437	-

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Malaysian income tax	368	(3)	727	20
Foreign income tax	(13)	363	57	423
Total income tax expense	<u>355</u>	<u>360</u>	<u>784</u>	<u>443</u>

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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

21. GROUP BORROWINGS

	As at 30 Sep 16 RM'000	As at 30 Sep 15 RM'000
Short term borrowings		
- Bank overdrafts	2,253	1,717
- Bankers' acceptance	2,824	3,523
- Trade loan/Trust receipts/Export bill financing	55,564	76,908
- Term loans	1,564	3,398
- Revolving credit	25,744	27,798
- Hire purchase and lease payables	462	746
	<u>88,411</u>	<u>114,090</u>
Long term borrowings		
- Hire purchase and lease payables	577	1,011
- Term loans	661	2,390
	<u>1,238</u>	<u>3,401</u>
Total	<u>89,649</u>	<u>117,491</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	9,373	37,772
- Hong Kong Dollars ("HKD")	954	496
- Chinese, Yuan Renminbi ("RMB")	65,457	39,929
		<u>78,197</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

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

	As at 30 Sep 16 RM'000	As at 30 Sep 15 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	(7,694)	15,638
- Unrealised	384	301
	<u>(7,310)</u>	<u>15,939</u>
Add: Consolidation adjustments	26,842	26,439
Total group retained earnings as per consolidated financial statements	<u>19,532</u>	<u>42,378</u>

23. CHANGES IN MATERIAL LITIGATION

There was no pending material litigation as at the date of this announcement.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

24. DIVIDEND PAYABLE

No interim dividend has been declared for the financial period ended 30 September 2016 (30 September 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 September 2016.

26. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors on the date set forth below.

By Order of the Board

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