



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2013

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Revenue	99,594	93,166	99,594	93,166
Cost of sales	(83,600)	(77,774)	(83,600)	(77,774)
Gross Profit	15,994	15,392	15,994	15,392
Other Income	724	1,725	724	1,725
Interest Income	3	17	3	17
Administrative expenses	(10,241)	(10,111)	(10,241)	(10,111)
Selling and marketing expenses	(4,395)	(3,205)	(4,395)	(3,205)
Finance costs	(951)	(1,068)	(951)	(1,068)
Profit before tax	1,134	2,750	1,134	2,750
Income tax expense	(559)	(969)	(559)	(969)
Profit for the period	575	1,781	575	1,781
Attributable to:				
Equity holders of the parent	494	1,781	494	1,781
Non-controlling interest	81	-	81	-
	575	1,781	575	1,781
Earnings per share attributable to equity holders of the parent (sen):				
Basic	0.96	2.97	0.96	2.97
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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2013

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit for the period	575	1,781	575	1,781
Other comprehensive income net of tax				
Foreign currency translation	(1,101)	1,252	(1,101)	1,252
Total comprehensive income for the period	(526)	3,033	(526)	3,033
Total comprehensive income attributable to:				
Owners of the Parent	(607)	3,033	(607)	3,033
Non-controlling interest	81	-	81	-
	(526)	3,033	(526)	3,033

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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 (UNAUDITED)

	30.06.2013 RM'000 (Unaudited)	31.03.2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	83,225	85,490
Investment Properties	879	880
Prepaid lease payments	2,539	2,600
Other investment	70	70
	<u>86,713</u>	<u>89,040</u>
Current assets		
Inventories	49,576	52,674
Trade receivables	81,229	51,374
Other receivables	7,338	10,465
Other current assets	9,544	5,467
Tax Recoverable	2,518	2,452
Cash and bank balances	20,918	18,989
	<u>171,123</u>	<u>141,421</u>
TOTAL ASSETS	<u>257,836</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	724	1,825
Retained earnings	52,484	51,990
	<u>113,224</u>	<u>113,831</u>
Non-controlling interest	81	-
Total Equity	<u>113,305</u>	<u>113,831</u>
Non-Current liabilities		
Borrowings	6,169	7,322
Deferred tax liabilities	591	611
	<u>6,760</u>	<u>7,933</u>
Current liabilities		
Borrowings	91,807	64,594
Trade payables	24,194	28,123
Other payables	21,770	15,980
	<u>137,771</u>	<u>108,697</u>
Total liabilities	<u>144,531</u>	<u>116,630</u>
TOTAL EQUITY AND LIABILITIES	<u>257,836</u>	<u>230,461</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.8867	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

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2013

	<----- 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 2012 (restated)	60,012	4	1,342	216	59,038	120,612	-	120,612
Total comprehensive income for the year	-	-	1,252	-	1,781	3,033	-	3,033
As at 30 June 2012	<u>60,012</u>	<u>4</u>	<u>2,594</u>	<u>216</u>	<u>60,819</u>	<u>123,645</u>	<u>-</u>	<u>123,645</u>
As at 1 April 2013	60,012	4	1,499	326	51,990	113,831	-	113,831
Total comprehensive income for the year	-	-	(1,101)	-	494	(607)	81	(526)
As at 30 June 2013	<u>60,012</u>	<u>4</u>	<u>398</u>	<u>326</u>	<u>52,484</u>	<u>113,224</u>	<u>81</u>	<u>113,305</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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2013

	3 months ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
- Continuing operations	1,134	2,750
Adjustment for:-		
Non-cash items	461	(592)
Non-operating items (which are investing/financing)	3,289	3,121
Interest expense	951	1,068
Interest income	(3)	(17)
Operating profit before changes in working capital	<u>5,832</u>	<u>6,330</u>
Changes in working capital		
Net change in current assets	(28,518)	(18,922)
Net change in current liabilities	1,857	(854)
Interest paid	(951)	(1,068)
Tax paid	(645)	(202)
Net cash generated from operating activities	<u>(22,425)</u>	<u>(14,716)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(1,820)	(648)
- Proceeds from disposal of property, plant and equipment	41	571
- Interest received	3	17
Net cash used in investing activities	<u>(1,776)</u>	<u>(60)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(159)	(632)
- Repayment of term loans	(862)	(5,359)
- Increase in short term borrowings	25,315	21,321
- Drawdown of HP & lease financing	-	147
Net cash used in financing activities	<u>24,294</u>	<u>15,477</u>
Net increase in cash and cash equivalents	93	701
Effects of exchange rate changes	69	(1,143)
Cash and cash equivalents at beginning of financial year	18,256	19,350
Cash and cash equivalents at end of financial year	<u>18,418</u>	<u>18,908</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	20,918	24,595
Bank overdrafts	(2,162)	(5,687)
Deposits pledged to banks	(338)	-
	<u>18,418</u>	<u>18,908</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.



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 June 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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	152,454	142,897	152,454	142,897
Non-apparels	17,229	15,959	17,229	15,959
Total revenue before eliminations	169,683	158,856	169,683	158,856
Eliminations	(70,089)	(65,690)	(70,089)	(65,690)
Total	99,594	93,166	99,594	93,166
Segment Result				
Result from continuing operations:				
Apparels	1,690	1,642	1,690	1,642
Non-apparels	303	450	303	450
	1,993	2,092	1,993	2,092
Eliminations	(859)	658	(859)	658
Total	1,134	2,750	1,134	2,750

Apparels segment:

The apparels segment's revenue for the quarter ended 30 June 2013 increased by 6.7% or RM9.6 million to RM152.5 million from RM142.9 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 June 2013 increased by 7.9% or RM1.2 million to RM17.2 million from RM16.0 million recorded in the preceding year corresponding quarter. The increase in revenue was mainly attributable to higher sales volume subsequent to the expansion of production for labelling and knitting business in Cambodia last year.

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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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 June 2013.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM103 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 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.



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 period ended 30 June 2013, the Group recorded a higher turnover of RM99.6 million compared to RM93.2 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 RM1.1 million compared to a pre-tax profit of RM2.8 million recorded for the preceding period. The decrease in profit was mainly due to intense price competition in the garment industry and the minimum wage raise in Cambodia for garment workers by 20% from May'13.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover increase from RM74.6 million recorded in the preceding quarter to RM99.6 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM1.1 million compared to a pre-tax loss RM4.1 million recorded for the preceding quarter. The increase in revenue and pre-tax profit for the current quarter is basically due to increase in sales volume for the current quarter compared with the preceding quarter.

16. COMMENTARY ON PROSPECTS

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.

18. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter		Cumulative quarter	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Profit before tax				
Included in the profit before tax are the following items:				
Interest income	(3)	(17)	(3)	(17)
Interest expenses	951	1,068	951	1,068
Depreciation	3,297	3,175	3,297	3,175
Provision for doubtful debts	-	477	-	477
Impairment loss of other investment	-	5	-	5
Gain on disposal of property, plant and equipment	(8)	(59)	(8)	(59)
Net foreign exchange loss/(gain)	461	(1,069)	461	(1,069)



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Malaysian income tax	154	277	154	277
Foreign income tax	405	692	405	692
Total income tax expense	<u>559</u>	<u>969</u>	<u>559</u>	<u>969</u>

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 30 June 13 RM'000	As at 30 June 12 RM'000
Short term borrowings		
- Bank overdrafts	2,162	5,803
- Bankers' acceptance	3,729	4,717
- Trade loan/Trust receipts/Export bill financing	55,961	51,807
- Term loans	3,273	4,451
- Revolving credit	24,731	21,230
- Hire purchase and lease payables	1,951	2,553
	<u>91,807</u>	<u>90,561</u>
	As at 30 June 13 RM'000	As at 30 June 12 RM'000
Long term borrowings		
- Hire purchase and lease payables	1,585	3,029
- Term loans	4,584	3,790
	<u>6,169</u>	<u>6,819</u>
Total	<u>97,976</u>	<u>97,380</u>



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	19,971	60,112
- Hong Kong Dollars ("HKD")	1,942	777
- Chinese, Yuan Renminbi ("RMB")	50,272	24,633
		<u>85,522</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

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

	As at 30 June'13 RM'000	As at 30 June'12 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	57,039	67,317
- Unrealised	(715)	(648)
	<u>56,324</u>	<u>66,669</u>
Less: Consolidation adjustments	(3,840)	(5,850)
Total group retained earnings as per consolidated financial statements	<u>52,484</u>	<u>60,819</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 2013 (30 June 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.



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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 23 August 2013.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
29 August 2013