



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Continuing Operations				
Revenue	74,951	98,458	380,731	448,407
Cost of sales	(60,689)	(85,129)	(332,341)	(378,609)
Gross Profit	14,262	13,329	48,390	69,798
Other Income	1,309	1,689	18,122	5,656
Interest Income	70	94	151	165
Administrative expenses	(17,418)	(14,913)	(50,941)	(50,772)
Selling and marketing expenses	(4,691)	(2,772)	(14,353)	(15,680)
Finance costs	(1,170)	(1,338)	(5,410)	(7,045)
(Loss)/Profit before tax	(7,638)	(3,911)	(4,041)	2,122
Income tax expense	533	1,798	(156)	888
(Loss)/Profit for the period from continuing operations	(7,105)	(2,113)	(4,197)	3,010
Discontinued Operation				
Profit for the period from discontinued operations	-	1,132	268	4,814
(Loss)/Profit for the period	(7,105)	(981)	(3,929)	7,824
Attributable to:				
Equity holders of the parent	(7,105)	(1,016)	(3,942)	7,808
Non-controlling interest	-	35	13	16
	(7,105)	(981)	(3,929)	7,824
Earnings per share attributable to equity holders of the parent (sen):				
Basic (continuing operations)	(11.84)	(3.52)	(6.99)	5.02
Basic (discontinuing operation)	-	1.89	0.45	8.02
Basic, for profit for the period	(11.84)	(1.63)	(6.55)	13.04
Diluted (continuing operations)				
Diluted (discontinuing operation)				
Diluted, for profit for the period	Not applicable		Not applicable	

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



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Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
(Loss)/Profit for the period	(7,105)	(981)	(3,929)	7,824
Other comprehensive (expense)/income net of tax				
Exchange differences on translation of foreign operations	(1,157)	(3,559)	(2,505)	(8,870)
Total comprehensive income for the period	(8,262)	(4,540)	(6,434)	(1,046)
Total comprehensive income attributable to:				
Owners of the Parent	(8,262)	(4,575)	(6,447)	(1,062)
Non-controlling interest	-	35	13	16
	(8,262)	(4,540)	(6,434)	(1,046)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2010 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 (UNAUDITED) AS AT 31 MARCH 2011

	31.03.2011 RM'000 (Unaudited)	31.03.2010 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	87,074	92,783
Investment Properties	887	1,240
Prepaid lease payments	866	870
Other investment	77	77
Goodwill	19	19
	<u>88,923</u>	<u>94,989</u>
Current assets		
Inventories	47,074	51,261
Trade receivables	62,683	63,458
Other receivables	10,388	10,466
Tax Recoverable	2,652	2,024
Cash and bank balances	<u>25,827</u>	<u>16,543</u>
	148,624	143,752
Non-current asset classified as held for sale	282	451
Assets of disposal group classified as held for sale	<u>-</u>	<u>72,381</u>
	148,906	216,584
TOTAL ASSETS	<u>237,829</u>	<u>311,573</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	(4,101)	(1,676)
Retained earnings	59,889	63,831
Foreign exchange reserve relating to assets classified as held for sale	-	832
	<u>115,804</u>	<u>123,003</u>
Non-controlling interest	<u>-</u>	<u>336</u>
Total Equity	<u>115,804</u>	<u>123,339</u>
Non-Current liabilities		
Borrowings	8,854	9,646
Deferred tax liabilities	<u>1,146</u>	<u>1,214</u>
	<u>10,000</u>	<u>10,860</u>
Current liabilities		
Borrowings	78,663	106,971
Trade payables	18,548	24,364
Other payables	14,786	21,418
Dividends payable	<u>28</u>	<u>28</u>
	112,025	152,781
Liabilities directly associated with assets classified as held for sale	<u>-</u>	<u>24,593</u>
	112,025	177,374
Total liabilities	<u>122,025</u>	<u>188,234</u>
TOTAL EQUITY AND LIABILITIES	<u>237,829</u>	<u>311,573</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
	1.9297	2.0496

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2011

Note	Attributable to Equity Holders of the parent									
	<-- Non-distributable -->		Distributable			<----- Non-distributable ----->				
	Equity, Total RM'000	Equity attributable to owners of the parent, total RM'000	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Reserve of disposal of group classified as held for sale RM'000	Other Reserves, Total RM'000	Foreign Exchange Reserve RM'000	Legal Reserve Fund RM'000	Non- Controlling Interest RM'000
As at 1 April 2009	124,385	124,065	60,012	4	56,050		7,999	6,463	1,536	320
Total comprehensive income	(1,046)	(1,062)			7,808		(8,870)	(8,870)		16
Transactions with owners										
Amount recognised directly in equity relating to assets classified as held for sale	-	-	-	-	-	832	(832)	(832)		
Transfer to legal reserve	-	-	-	-	(27)	-	27		27	
Total transactions with owners	-	-	-	-	(27)	832	(805)	(832)	27	-
As at 31 March 2010	<u>123,339</u>	<u>123,003</u>	<u>60,012</u>	<u>4</u>	<u>63,831</u>	<u>832</u>	<u>(1,676)</u>	<u>(3,239)</u>	<u>1,563</u>	<u>336</u>
As at 1 April 2010	123,339	123,003	60,012	4	63,831	832	(1,676)	(3,239)	1,563	336
Total comprehensive income	(6,434)	(6,447)			(3,942)	(80)	(2,425)	(2,425)		13
Transactions with owners										
Acquisition of non-controlling interest	(349)	-		-		-	-			(349)
Realisation of foreign currency translation reserve on disposal of subsidiaries	(752)	(752)				(752)	-			
Total transactions with owners	(1,101)	(752)	-	-	-	(752)	-	-	-	(349)
As at 31 March 2011	<u>115,804</u>	<u>115,804</u>	<u>60,012</u>	<u>4</u>	<u>59,889</u>	<u>-</u>	<u>(4,101)</u>	<u>(5,664)</u>	<u>1,563</u>	<u>-</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 2010 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2011

	12 months ended	
	31.03.2011	31.03.2010
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(13,001)	63,275
Net cash generated from/(used in) investing activities	46,205	(3,563)
Net cash used in financing activities	(32,740)	(58,042)
Net increase in cash and cash equivalents	464	1,670
Effects of exchange rate changes	2,318	(673)
Cash and cash equivalents at beginning of financial period	16,435	15,438
Cash and cash equivalents at end of financial period	19,217	16,435

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31.03.2011 RM'000	As at 31.03.2010 RM'000
Cash and bank balances	25,827	16,543
Cash and bank balance classified as held for sale	-	2,862
Bank overdrafts (included within short term borrowings)	(6,610)	(2,952)
Deposits pledged to banks	-	(18)
Cash and bank classified as held for sale	-	-
	19,217	16,435

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



PCCS Group Berhad

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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding to the changes in the financial position and performance of the Group since the year ended 31 March 2010, except that the Group has adopted the new/revised FRS and Issues Committee ("IC") Interpretations mandatory for annual periods beginning on or after 1 January 2010 as follows:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segment
FRS 101	Presentation of Financial Statement (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Share Based Payment – Vesting Conditions and Cancellations
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments - Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 101	Presentation of Financial Statement
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 117	Leases
Amendment to FRS 119	Employee Benefits
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendment to FRS 140	Investment Property
Amendment to FRSs 'Improvements to FRSs (2009)'	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions

The adoption of the above standards did not result in any significant changes in the accounting policies and presentations of the financial results of the Group except for the following:

a) FRS 8 : Operating Segments

FRS 8 requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. As the Group's chief operating decision maker, the Group's Board of Directors, relies on internal reports that are similar to those currently disclosed externally, no further segmental information disclosures will be necessary.



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b) FRS 101 : Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements.

With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

c) FRS 117 : Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. The Group has concluded to remain the existing leasehold land as operating lease.

d) FRS 139 : Financial Instruments : Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all derivative financial instruments held by the Group will be recognized as assets or liabilities in the balance sheets, and will be classified as financial assets or financial liabilities at fair value through profit and loss. When derivative financial instruments are recognised initially, there are measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value. Any gains or losses from changes in fair value of the derivatives financial instruments will be recognized in profit and loss.

2. AUDITORS' REPORT ON PROCEEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2010 was not qualified.



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3. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	110,447	148,156	578,502	681,838
Non-apparels	13,213	13,320	58,654	53,042
Total revenue before eliminations	123,660	161,476	637,156	734,880
Eliminations	(48,709)	(63,018)	(256,425)	(286,473)
Total	74,951	98,458	380,731	448,407
Segment Result				
Result from continuing operations:				
Apparels	(4,480)	(2,269)	(15,424)	846
Non-apparels	(1,208)	4,921	13,216	9,396
	(5,688)	2,652	(2,208)	10,242
Eliminations	(1,950)	(6,563)	(1,833)	(8,120)
Total	(7,638)	(3,911)	(4,041)	2,122

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 2010.

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

Save as disclosed below, there were no changes in composition of the group during the current quarter.

- a) On 9 March 2011, PCCS through a wholly-owned subsidiary, Thirty Three (Hong Kong) Limited ("TTHK") incorporated a wholly-owned subsidiary company in Shanghai, China under the name of Thirty Three (Shanghai) Limited ("TTSL"), with a total investment of USD600,000.00 and registered capital of USD550,000.00. The principal activities of TTSL include the trading of apparels, fashion accessories, fabric materials, household appliances, sewing machines and electronic products.
- b) On 29 March 2011, PCCS incorporated a wholly-owned subsidiary company in Cambodia under the name of Beauty Apparels (Cambodia) Ltd. ("BAC"), with a registered capital of 100,000,000.00 riels divided into 1,000 shares of 100,000.00 riels each.

11. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 March 2011 is as follows :

Approved and contracted for RM33 thousand.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM93 million given to licensed banks in respect of bank facilities granted to subsidiaries during the twelve months financial period ended 31 March 2011.

13. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the financial quarter under review up to the date of the interim financial 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 March 2011, the Group recorded a lower turnover of RM380.7 million compared to RM448.4 million achieved in the previous corresponding period due to the Group had disposed Plastic Packaging Division and the buyers' orders from Apparels Division had decreased due to the Group reduced the production capacity in Cambodia. The pre-tax profit of the Group reduced from profit RM2.1 million achieved in the corresponding financial period ended 31 March 2010 to a pre-tax loss of RM4.0 million recorded for the period under review, mainly due to voluntary separation scheme and cost relating to it paid in PCCS Garments Ltd amounting to RM7.7million.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover reduced from RM101.6 million recorded in the preceding quarter to RM75 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM7.6 million compared to a pre-tax profit RM729 thousand recorded for the preceding quarter. The main reason of suffering loss is voluntary separation scheme and cost relating to it paid in PCCS Garments Ltd amounting to RM7.7million.

16. COMMENTARY ON PROSPECTS

The Group will continue to implement action plans for growth by improving efficiency and productivity. Total revenue earned from its core business of garments manufacturing and other divisions are expected to be enhanced.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

18. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Malaysian income tax	(994)	(770)	(540)	1
Foreign income tax	461	(1,028)	696	(889)
Total income tax expense	<u>(533)</u>	<u>(1,798)</u>	<u>156</u>	<u>(888)</u>

The tax provided in the current period is mainly in respect of certain subsidiaries reporting taxable profits.

19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investment and properties of the Group during quarter under review.



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20. QUOTED SECURITIES

There were no purchases and disposals of quoted securities during the quarter under review and financial year-to-date.

21. 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 other than as disclosed in note 13.

b) Status of Utilisation of Proceeds

Not applicable.

22. GROUP BORROWINGS

	As at 31 Mar 11 RM'000	As at 31 Mar 10 RM'000
Short term borrowings		
- Bank overdrafts	6,610	2,952
- Bankers' acceptance	9,676	29,596
- Trade loan/Trust receipts/Export bill financing	41,890	41,639
- Term loans	6,509	9,286
- Revolving credit	12,096	21,595
- Hire purchase and lease payables	1,882	1,903
	<u>78,663</u>	<u>106,971</u>
	As at 31 Mar 11 RM'000	As at 31 Mar 10 RM'000
Long term borrowings		
- Hire purchase and lease payables	4,461	2,440
- Term loans	4,393	7,206
	<u>8,854</u>	<u>9,646</u>
Total	<u>87,517</u>	<u>116,617</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	11,122	33,699
- Hong Kong Dollars ("HKD")	39,300	15,327
- Chinese, Yuan Renminbi ("RMB")	31,792	14,625
		<u>63,220</u>



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23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not enter into any off balance sheet financial instruments as at the date of this announcement.

24. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 March 2011 is analysed as follows:

	As at 31 Mar'11 RM'000	As at 31 Dec'10 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	80,871	88,551
- Unrealised	<u>(1,243)</u>	<u>(1,328)</u>
	79,628	87,223
Less: Consolidation adjustments	<u>(19,739)</u>	<u>(20,228)</u>
Total group retained earnings as per consolidated financial statements	<u>59,889</u>	<u>66,995</u>

25. CHANGES IN MATERIAL LITIGATION

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

26. DIVIDEND PAYABLE

No interim dividend has been declared for the financial period ended 31 March 2011 (31 March 2010: Nil).

27. 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 2011.

28. 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 31 May 2011.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
31 May 2011