



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
<b>Continuing Operations</b>				
Revenue	103,868	108,779	103,868	108,779
Cost of sales	(86,687)	(90,521)	(86,687)	(90,521)
<b>Gross Profit</b>	<b>17,181</b>	<b>18,258</b>	<b>17,181</b>	<b>18,258</b>
Other Income	1,950	1,357	1,950	1,357
Interest Income	9	9	9	9
Administrative expenses	(11,258)	(10,073)	(11,258)	(10,073)
Selling and marketing expenses	(4,577)	(6,116)	(4,577)	(6,116)
Finance costs	(1,180)	(1,457)	(1,180)	(1,457)
<b>Profit before tax</b>	<b>2,125</b>	<b>1,978</b>	<b>2,125</b>	<b>1,978</b>
Income tax expense	(185)	(279)	(185)	(279)
<b>Profit for the period from continuing operations</b>	<b>1,940</b>	<b>1,699</b>	<b>1,940</b>	<b>1,699</b>
<b>Discontinued Operation</b>				
Profit for the period from discontinued operation	-	468	-	468
<b>Profit for the period</b>	<b>1,940</b>	<b>2,167</b>	<b>1,940</b>	<b>2,167</b>
Attributable to:				
Equity holders of the parent	1,940	2,177	1,940	2,177
Minority interest	-	(10)	-	(10)
	<b>1,940</b>	<b>2,167</b>	<b>1,940</b>	<b>2,167</b>
<b>Earnings per share attributable to equity holders of the parent (sen):</b>				
Basic (continuing operations)	3.23	2.83	3.23	2.83
Basic (discontinuing operation)	-	0.78	-	0.78
<b>Basic, for profit for the period</b>	<b>3.23</b>	<b>3.61</b>	<b>3.23</b>	<b>3.61</b>
Diluted (continuing operations)				
Diluted (discontinued operations)				
<b>Diluted, for profit for the period</b>	<b>Not applicable</b>		<b>Not applicable</b>	

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
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## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Profit for the period	1,940	2,167	1,940	2,167
Other comprehensive (expense)/income net of tax				
Exchange differences on translation of foreign operations	406	97	406	97
<b>Total comprehensive income for the period</b>	<b>2,346</b>	<b>2,264</b>	<b>2,346</b>	<b>2,264</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	2,346	2,274	2,346	2,274
Minority interest	-	(10)	-	(10)
	<b>2,346</b>	<b>2,264</b>	<b>2,346</b>	<b>2,264</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 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 30 JUNE 2011

	30.06.2011 RM'000 (Unaudited)	31.03.2011 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	85,911	87,063
Investment Properties	905	909
Prepaid lease payments	840	840
Other investment	77	77
Goodwill	19	19
	<u>87,752</u>	<u>88,908</u>
<b>Current assets</b>		
Inventories	45,320	46,583
Trade receivables	94,051	64,517
Other receivables	3,362	7,773
Other current assets	9,672	7,364
Tax Recoverable	3,051	2,472
Cash and bank balances	24,458	25,653
	<u>179,914</u>	<u>154,362</u>
Non-current asset classified as held for sale	282	282
	<u>180,196</u>	<u>154,644</u>
<b>TOTAL ASSETS</b>	<u>267,948</u>	<u>243,552</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	(5,235)	(5,641)
Retained earnings	63,655	61,715
	<u>118,436</u>	<u>116,090</u>
Minority interest	-	-
<b>Total Equity</b>	<u>118,436</u>	<u>116,090</u>
<b>Non-Current liabilities</b>		
Borrowings	7,613	8,854
Deferred tax liabilities	1,168	1,145
	<u>8,781</u>	<u>9,999</u>
<b>Current liabilities</b>		
Borrowings	108,529	78,663
Trade payables	17,636	19,852
Other payables	14,565	18,920
Dividends payable	1	28
	<u>140,731</u>	<u>117,463</u>
<b>Total liabilities</b>	<u>149,512</u>	<u>127,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>267,948</u>	<u>243,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.9735	1.9344

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2011

	<----- Attributable to Equity Holders of the parent----->								
	<----- Non-distributable ----->					Distributable			Total Equity RM'000
	Share Capital RM'000	Share premium RM'000	Foreign Exchange Reserves RM'000	Legal Reserves RM'000	Relating to Assets Held for sale RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	
As at 1 April 2010	60,012	4	(3,239)	1,563	832	63,831	123,003	336	123,339
Total comprehensive income for the period	-	-	97	-	-	2,178	2,275	(11)	2,264
As at 30 June 2010	<u>60,012</u>	<u>4</u>	<u>(3,142)</u>	<u>1,563</u>	<u>832</u>	<u>66,009</u>	<u>125,278</u>	<u>325</u>	<u>125,603</u>
As at 1 April 2011	60,012	4	(5,660)	19	-	61,715	116,090	-	116,090
Total comprehensive income for the period	-	-	406	-	-	1,940	2,346	-	2,346
As at 30 June 2011	<u>60,012</u>	<u>4</u>	<u>(5,254)</u>	<u>19</u>	<u>-</u>	<u>63,655</u>	<u>118,436</u>	<u>-</u>	<u>118,436</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 2011 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 CASH FLOW (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2011

	3 months ended	
	30.06.2011	30.06.2010
	RM'000	RM'000
Net cash generated from/(used in) operating activities	(28,610)	(29,872)
Net cash (used in)/generated from investing activities	(1,209)	(380)
Net cash (used in)/generated from financing activities	28,177	25,376
Net increase/(decrease) in cash and cash equivalents	<u>(1,642)</u>	<u>(4,876)</u>
Effects of exchange rate changes	-	800
Cash and cash equivalents at beginning of financial period	19,043	16,435
Cash and cash equivalents at end of financial period	<u>17,401</u>	<u>12,359</u>

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

	As at	As at
	30.06.2011	30.06.2010
	RM'000	RM'000
Cash and bank balances	24,458	16,699
Bank overdrafts (included within short term borrowings)	(7,057)	(7,708)
Deposits pledged to banks	-	(18)
Cash and bank classified as held for sale	-	3,386
	<u>17,401</u>	<u>12,359</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
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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 2011. 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 2011. Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2011.

#### FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
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 127	Consolidated and Separate Financial Statements
Amendment to FRS 138	Intangible Assets
Amendment to Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

#### FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendment to FRS 1	Additional Exemptions for First-time Adopters
Amendment to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRS issued in 2010	
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfer of Assets from Customers

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.

The Group has not applied the following accounting standard (including its consequential amendments) and Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

		Effective Date
TR I – 4	Shariah Compliant Sale Contracts	1 January 2011
FRS 124	Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011



# PCCS Group Berhad

Company No. 280929-K  
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## 2. AUDITORS' REPORT ON PROCEEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

## 3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	154,889	168,045	154,889	168,045
Non-apparels	12,149	29,719	12,149	29,719
Total revenue before eliminations	167,038	197,764	167,038	197,764
Discontinued operation The People's				
Republic of China	-	14,631	-	14,631
Eliminations	(63,170)	(88,985)	(63,170)	(88,985)
Total	103,868	123,410	103,868	123,410
<b>Segment Result</b>				
Result from continuing operations:				
Apparels	3,996	1,341	3,996	1,341
Non-apparels	(1,399)	1,315	(1,399)	1,315
	2,597	2,656	2,597	2,656
Discontinued operation The People's				
Republic of China	-	639	-	639
Eliminations	(657)	(678)	(657)	(678)
Total	1,940	2,617	1,940	2,617

## 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.



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## **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 2011.

## **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 2011.

## **12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM125 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 2011.

## **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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Company No. 280929-K  
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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 30 June 2011, the Group recorded a lower turnover of RM103.9 million compared to RM108.8 million achieved in the previous corresponding period due to the buyers' orders from Apparels Division had decreased. The pre-tax profit of the Group increased from profit RM2.0 million achieved in the corresponding financial period ended 30 June 2010 to a pre-tax profit of RM2.1 million recorded for the period under review.

### 15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover increased from RM75 million recorded in the preceding quarter to RM103.9 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM2.1 million compared to a pre-tax loss RM7.6 million recorded for the preceding quarter.

### 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. The Group is thus reasonably optimistic on the overall performance of the next quarterly results.

### 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 3 months ended	
	30.06.2011 RM'000	30.06.2010 RM'000	30.06.2011 RM'000	30.06.2010 RM'000
Malaysian income tax	(274)	103	(274)	103
Foreign income tax	460	176	460	176
Total income tax expense	<u>185</u>	<u>279</u>	<u>185</u>	<u>279</u>

The tax provided in the current period is mainly in respect of certain subsidiaries reporting taxable profits and provision for deferred tax arising from reversal of temporary differences.

### 19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investment and properties of the Group during quarter under review and financial year to-date.



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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.

### b) Status of Utilisation of Proceeds

Not applicable.

## 22. GROUP BORROWINGS

	As at 30 June 11 RM'000	As at 30 June 10 RM'000
<b>Short term borrowings</b>		
- Bank overdrafts	7,058	7,708
- Bankers' acceptance	9,684	30,610
- Trade loan/Trust receipts/Export bill financing	65,288	69,074
- Term loans	2,896	13,382
- Revolving credit	21,720	17,960
- Hire purchase and lease payables	1,883	1,493
	<u>108,529</u>	<u>140,227</u>
	As at 30 June 11 RM'000	As at 30 June 10 RM'000
<b>Long term borrowings</b>		
- Hire purchase and lease payables	3,990	2,264
- Term loans	3,623	6,359
	<u>7,613</u>	<u>8,623</u>
<b>Total</b>	<u>116,142</u>	<u>148,850</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	22,618	68,305
- Hong Kong Dollars ("HKD")	2,011	784
- Chinese, Yuan Renminbi ("RMB")	51,792	24,342
		<u>93,431</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 30 June 2011 is analysed as follows:

	As at 30 June'11 RM'000	As at 31 Mar'11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	73,813	77,484
- Unrealised	<u>(1,243)</u>	<u>(2,938)</u>
	72,570	74,546
Less: Consolidation adjustments	<u>(8,915)</u>	<u>(12,831)</u>
Total group retained earnings as per consolidated financial statements	<u>63,655</u>	<u>61,715</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 30 June 2011 (30 June 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 30 June 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 22 August 2011.



# **PCCS Group Berhad**

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By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)**

**Company Secretary**

24 August 2011