



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
<b>Continuing Operations</b>				
Revenue	87,501	101,639	282,220	305,780
Cost of sales	(76,555)	(88,250)	(240,137)	(271,652)
<b>Gross Profit</b>	<b>10,946</b>	<b>13,389</b>	<b>42,083</b>	<b>34,128</b>
Other Income	3,116	3,007	6,848	16,825
Interest Income	14	29	33	88
Administrative expenses	(8,254)	(12,549)	(28,451)	(33,727)
Selling and marketing expenses	(3,897)	(1,944)	(13,169)	(9,662)
Finance costs	(1,198)	(1,203)	(3,666)	(4,227)
<b>Profit before tax</b>	<b>727</b>	<b>729</b>	<b>3,678</b>	<b>3,425</b>
Income tax expense	(219)	(199)	(390)	(689)
<b>Profit for the period from continuing operations</b>	<b>508</b>	<b>530</b>	<b>3,288</b>	<b>2,736</b>
<b>Discontinued Operation</b>				
Profit for the period from discontinued operation	-	-	-	440
<b>Profit for the period</b>	<b>508</b>	<b>530</b>	<b>3,288</b>	<b>3,176</b>
<b>Attributable to:</b>				
Equity holders of the parent	508	527	3,288	3,163
Non-controlling interest	-	3	-	13
	<b>508</b>	<b>530</b>	<b>3,288</b>	<b>3,176</b>
<b>Earnings per share attributable to equity holders of the parent (sen):</b>				
Basic (continuing operations)	0.85	0.88	5.48	4.56
Basic (discontinuing operation)	-	-	-	0.73
<b>Basic, for profit for the period</b>	<b>0.85</b>	<b>0.88</b>	<b>5.48</b>	<b>5.29</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 THIRD QUARTER ENDED 31 DECEMBER 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Profit for the period	508	530	3,288	3,176
Other comprehensive (expense)/income net of tax				
Exchange differences on translation of foreign operations	2,085	439	2,376	(2,448)
<b>Total comprehensive income for the period</b>	<b>2,593</b>	<b>969</b>	<b>5,664</b>	<b>728</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	2,593	1,315	5,664	1,064
Non-controlling interest	-	(346)	-	(336)
	<b>2,593</b>	<b>969</b>	<b>5,664</b>	<b>728</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 31 DECEMBER 2011

	31.12.2011 RM'000 (Unaudited)	31.03.2011 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,856	87,063
Investment Properties	899	909
Prepaid lease payments	843	840
Other investment	77	77
Goodwill	19	19
	<u>91,694</u>	<u>88,908</u>
<b>Current assets</b>		
Inventories	38,673	46,583
Trade receivables	75,812	64,517
Other receivables	6,716	7,773
Other current assets	7,421	7,364
Tax Recoverable	3,169	2,472
Cash and bank balances	22,660	25,653
	<u>154,451</u>	<u>154,362</u>
Non-current asset classified as held for sale	282	282
	<u>154,733</u>	<u>154,644</u>
<b>TOTAL ASSETS</b>	<u>246,427</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	(3,265)	(5,641)
Retained earnings	65,003	61,715
	<u>121,754</u>	<u>116,090</u>
Non-controlling interest	-	-
<b>Total Equity</b>	<u>121,754</u>	<u>116,090</u>
<b>Non-Current liabilities</b>		
Borrowings	8,654	8,854
Deferred tax liabilities	1,166	1,145
	<u>9,820</u>	<u>9,999</u>
<b>Current liabilities</b>		
Borrowings	89,112	78,663
Trade payables	17,693	19,852
Other payables	8,047	18,920
Dividends payable	1	28
	<u>114,853</u>	<u>117,463</u>
<b>Total liabilities</b>	<u>124,673</u>	<u>127,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>246,427</u>	<u>243,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0288	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

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

	<----- 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	Relating to Assets Held for sale RM'000	Retained Earnings RM'000	Total RM'000		
As at 1 April 2010	60,012	4	(3,240)	1,563	832	63,832	123,003	336	123,339
Total comprehensive income for the period	-	-	(1,267)	-	(832)	3,163	1,064	-	1,064
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(336)	(336)
<b>As at 31 December 2010</b>	<u>60,012</u>	<u>4</u>	<u>(4,507)</u>	<u>1,563</u>	<u>-</u>	<u>66,995</u>	<u>124,067</u>	<u>-</u>	<u>124,067</u>
As at 1 April 2011	60,012	4	(5,660)	19	-	61,715	116,090	-	116,090
Total comprehensive income for the period	-	-	2,376	-	-	3,288	5,664	-	5,664
<b>As at 31 December 2011</b>	<u>60,012</u>	<u>4</u>	<u>(3,284)</u>	<u>19</u>	<u>-</u>	<u>65,003</u>	<u>121,754</u>	<u>-</u>	<u>121,754</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

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

	9 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,678	4,036
Adjustment for: -		
Non-cash items	719	(103)
Non-operating items (which are investing/financing)	9,410	(3,157)
Interest income	(32)	(88)
Operating profit before changes in working capital	<u>13,775</u>	<u>688</u>
<b>Changes in working capital</b>		
Net Change in current assets	(3,305)	(9,818)
Net Change in current liabilities	(13,032)	(19,820)
Tax paid	(1,067)	(1,091)
<b>Net cash used in operating activities</b>	<u>(3,629)</u>	<u>(30,041)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Net cash inflow on disposal of subsidiaries	1,098	57,230
- Purchase of property, plant and equipment	(11,263)	(9,566)
- Purchase of additional shares in subsidiary	-	(226)
- Proceeds from disposal of property, plant and equipment	1,517	2,054
- Interest received	32	88
<b>Net cash (used in)/generated from investing activities</b>	<u>(8,616)</u>	<u>49,580</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Repayment of hire purchase & lease financing	(4,581)	(1,505)
- Repayment of term loans	(5,671)	(11,575)
- Increase in short term borrowings (excluding OD)	13,978	3,433
- Drawdown of HP & lease financing	1,937	-
- Drawdown of term loan	5,238	-
<b>Net cash generated from/(used in) financing activities</b>	<u>10,901</u>	<u>(9,647)</u>
Net (decrease)/ increase in cash and cash equivalents	(1,344)	9,892
Effects of exchange rate changes	(997)	1,090
Cash and cash equivalents at beginning of financial period	19,043	16,435
<b>Cash and cash equivalents at end of financial period</b>	<u><u>16,702</u></u>	<u><u>27,417</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	22,660	33,127
Bank overdrafts (included within short term borrowings)	(5,958)	(5,710)
	<u>16,702</u>	<u>27,417</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

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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



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## 2. AUDIT REPORT OF PRECEDING 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 9 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	125,547	157,798	420,102	468,055
Non-apparels	15,888	30,222	44,543	60,072
Total revenue before eliminations	141,435	188,020	464,645	528,127
Eliminations	(53,934)	(86,381)	(182,425)	(222,347)
Total	87,501	101,639	282,220	305,780
<b>Segment Result</b>				
Result from continuing operations:				
Apparels	(717)	(2,232)	2,494	(10,944)
Non-apparels	(252)	1,745	164	14,253
	(969)	(487)	2,658	3,309
Eliminations	1,696	1,216	1,020	116
Total	727	729	3,678	3,425

## 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

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

Approved and contracted for RM4.2million.

## 12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM104 million given to licensed banks in respect of bank facilities granted to subsidiaries during the nine months financial period ended 31 December 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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## 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 December 2011, the Group recorded a lower turnover of RM282.2 million compared to RM305.8 million achieved in the previous corresponding period due to the capacity of Apparels Division had decreased. The pre-tax profit of the Group for the period under review increased from RM3.4 million in the corresponding financial period ended 31 December 2010 to RM3.7 million. The increase is mainly due to the cessation of the operating costs incurred in one of the Cambodia subsidiaries.

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

Total turnover decreased from RM90.8 million recorded in the preceding quarter to RM87.5 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM727 thousand compared to a pre-tax profit RM826 thousand 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. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Profit for the period is arrived at after crediting/(charging)				
Interest income	14	29	33	88
Interest expenses	(1,198)	(1,203)	(3,666)	(4,227)
Depreciation	(3,489)	(3,044)	(9,691)	(9,452)
Inventories written off	-	-	(174)	-
Gain/(loss) on disposal of property, plant and equipment	(719)	46	641	304
Impairment of PPE	(1,284)	-	(1,284)	-
Net foreign exchange gain/(loss)	311	(191)	1,456	(1,604)



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## 19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Malaysian income tax	122	262	(102)	454
Foreign income tax	97	(63)	492	235
<b>Total income tax expense</b>	<b>219</b>	<b>199</b>	<b>390</b>	<b>689</b>

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 31 Dec 11	As at 31 Dec 10
	RM'000	RM'000
<b>Short term borrowings</b>		
- Bank overdrafts	5,958	5,710
- Bankers' acceptance	6,713	8,764
- Trade loan/Trust receipts/Export bill financing	53,205	63,454
- Term loans	5,817	5,052
- Revolving credit	15,585	18,975
- Hire purchase and lease payables	1,834	1,101
	<b>89,112</b>	<b>103,056</b>
	As at 31 Dec 11	As at 31 Dec 10
	RM'000	RM'000
<b>Long term borrowings</b>		
- Hire purchase and lease payables	1,865	1,737
- Term loans	6,789	4,916
	<b>8,654</b>	<b>6,653</b>
<b>Total</b>	<b>97,766</b>	<b>109,709</b>



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	17,690	56,078
- Hong Kong Dollars ("HKD")	191	78
- Chinese, Yuan Renminbi ("RMB")	36,655	18,328
		<u>74,484</u>

## 22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

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

	As at 31 Dec'11 RM'000	As at 30 Sep'11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	73,204	74,397
- Unrealised	<u>(1,243)</u>	<u>(1,243)</u>
	71,961	73,154
Less: Consolidation adjustments	<u>(6,958)</u>	<u>(8,659)</u>
Total group retained earnings as per consolidated financial statements	<u>65,003</u>	<u>64,495</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 31 December 2011 (31 December 2010: 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 December 2011.



# **PCCS Group Berhad**

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## **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 February 2012.

By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)**  
Company Secretary  
28 February 2012