



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Continuing Operations				
Revenue	90,851	99,066	194,719	207,845
Cost of sales	(76,895)	(92,881)	(163,582)	(183,402)
Gross Profit	13,956	6,185	31,137	24,443
Other Income	1,782	12,461	3,732	13,818
Interest Income	10	50	19	59
Administrative expenses	(8,939)	(11,133)	(20,197)	(21,178)
Selling and marketing expenses	(4,695)	(5,306)	(9,272)	(11,422)
Finance costs	(1,288)	(1,567)	(2,468)	(3,024)
Profit before tax	826	690	2,951	2,696
Income tax expense	14	(211)	(171)	(490)
Profit for the period from continuing operations	840	479	2,780	2,206
Discontinued Operation				
Profit for the period from discontinued operation	-	-	-	440
Profit for the period	840	479	2,780	2,646
Attributable to:				
Equity holders of the parent	840	459	2,780	2,636
Non-controlling interest	-	20	-	10
	840	479	2,780	2,646
Earnings per share attributable to equity holders of the parent (sen):				
Basic (continuing operations)	1.40	0.80	4.63	3.68
Basic (discontinuing operation)	-	-	-	0.73
Basic, for profit for the period	1.40	0.80	4.63	4.41
Diluted (continuing operations)				
Diluted (discontinued operations)				
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 2011 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Profit for the period	840	479	2,780	2,646
Other comprehensive (expense)/income net of tax				
Exchange differences on translation of foreign operations	(115)	(2,984)	291	(2,887)
Total comprehensive income for the period	725	(2,505)	3,071	(241)
Total comprehensive income attributable to:				
Owners of the Parent	725	(2,525)	3,071	(251)
Non-controlling interest	-	20	-	10
	725	(2,505)	3,071	(241)

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 SEPTEMBER 2011

	30.09.2011 RM'000 (Unaudited)	31.03.2011 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	83,763	87,063
Investment Properties	902	909
Prepaid lease payments	835	840
Other investment	77	77
Goodwill	19	19
	<u>85,596</u>	<u>88,908</u>
Current assets		
Inventories	38,199	46,583
Trade receivables	75,664	64,517
Other receivables	4,811	7,773
Other current assets	12,322	7,364
Tax Recoverable	3,174	2,472
Cash and bank balances	22,179	25,653
	<u>156,349</u>	<u>154,362</u>
Non-current asset classified as held for sale	282	282
	<u>156,631</u>	<u>154,644</u>
TOTAL ASSETS	<u>242,227</u>	<u>243,552</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	(5,350)	(5,641)
Retained earnings	64,495	61,715
	<u>119,161</u>	<u>116,090</u>
Non-controlling interest	-	-
Total Equity	<u>119,161</u>	<u>116,090</u>
Non-Current liabilities		
Borrowings	6,809	8,854
Deferred tax liabilities	1,169	1,145
	<u>7,978</u>	<u>9,999</u>
Current liabilities		
Borrowings	86,184	78,663
Trade payables	15,059	19,852
Other payables	13,844	18,920
Dividends payable	1	28
	<u>115,088</u>	<u>117,463</u>
Total liabilities	<u>123,066</u>	<u>127,462</u>
TOTAL EQUITY AND LIABILITIES	<u>242,227</u>	<u>243,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.9856	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.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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	(3,239)	1,563	832	63,831	123,003	336	123,339
Total comprehensive income for the period	-	-	(2,055)	-	(832)	2,636	(251)	10	(241)
As at 30 September 2010	<u>60,012</u>	<u>4</u>	<u>(5,294)</u>	<u>1,563</u>	<u>-</u>	<u>66,467</u>	<u>122,752</u>	<u>346</u>	<u>123,098</u>
As at 1 April 2011	60,012	4	(5,660)	19	-	61,715	116,090	-	116,090
Total comprehensive income for the period	-	-	291	-	-	2,780	3,071	-	3,071
As at 30 September 2011	<u>60,012</u>	<u>4</u>	<u>(5,369)</u>	<u>19</u>	<u>-</u>	<u>64,495</u>	<u>119,161</u>	<u>-</u>	<u>119,161</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.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

	6 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,951	3,307
Adjustment for: -		
Non-cash items	(1,742)	1,416
Non-operating items (which are investing/financing)	3,741	(5,221)
Interest income	(19)	(66)
Operating profit/(loss) before changes in working capital	<u>4,931</u>	<u>(564)</u>
Changes in working capital		
Net Change in current assets	(3,038)	(31,725)
Net Change in current liabilities	(9,869)	(4,421)
Tax paid	(849)	(862)
Net cash used in operating activities	<u>(8,825)</u>	<u>(37,572)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Net cash inflow on disposal of subsidiaries	1,101	56,296
- Purchase of property, plant and equipment	(3,725)	(3,117)
- Proceeds from disposal of property, plant and equipment	2,190	1,742
- Interest received	19	66
Net cash (used in)/generated from investing activities	<u>(415)</u>	<u>54,987</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(4,040)	(1,086)
- Repayment of term loans	(1,640)	(10,857)
- Increase in short term borrowings (excluding OD)	7,998	4,257
- Drawdown of HP & lease financing	438	-
- Drawdown of term loan	2,714	-
Net cash generated from/(used in) financing activities	<u>5,470</u>	<u>(7,686)</u>
Net (decrease)/ increase in cash and cash equivalents	(3,770)	9,729
Effects of exchange rate changes	291	(1,153)
Cash and cash equivalents at beginning of financial period	19,043	16,435
Cash and cash equivalents at end of financial period	<u><u>15,564</u></u>	<u><u>25,011</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	22,179	28,607
Bank overdrafts (included within short term borrowings)	(6,615)	(3,578)
Deposits pledged to banks	-	(18)
	<u>15,564</u>	<u>25,011</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.



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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. 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		Cumulative quarter	
	3 months ended		6 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	139,666	142,212	294,555	310,257
Non-apparels	16,506	131	28,655	29,850
Total revenue before eliminations	156,172	142,343	323,210	340,107
Eliminations	(65,321)	(43,277)	(128,491)	(132,262)
Total	90,851	99,066	194,719	207,845
Segment Result				
Result from continuing operations:				
Apparels	(1,225)	(10,053)	3,211	(8,712)
Non-apparels	1,792	11,165	416	12,508
	567	1,112	3,627	3,796
Eliminations	259	(422)	(676)	(1,100)
Total	826	690	2,951	2,696

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 September 2011.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM101 million given to licensed banks in respect of bank facilities granted to subsidiaries during the six months financial period ended 30 September 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 30 September 2011, the Group recorded a lower turnover of RM194.7 million compared to RM207.8 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 RM2.7 million achieved in the corresponding financial period ended 30 September 2010 to a pre-tax profit of RM2.9 million recorded for the period under review. The increase in profit before taxation as compared to the preceding year is due mainly to the cessation of the operating costs incurred in one of the Cambodia subsidiary.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover decreased from RM103.9 million recorded in the preceding quarter to RM90.8 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM826 thousand compared to a pre-tax profit RM2.1 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 6 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Malaysian income tax	51	89	(224)	192
Foreign income tax	(65)	122	395	298
Total income tax expense	<u>(14)</u>	<u>211</u>	<u>171</u>	<u>490</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 and financial period 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 period 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 Sep 11 RM'000	As at 30 Sep 10 RM'000
Short term borrowings		
- Bank overdrafts	6,615	3,578
- Bankers' acceptance	6,311	10,266
- Trade loan/Trust receipts/Export bill financing	51,407	52,333
- Term loans	5,864	9,924
- Revolving credit	14,655	24,565
- Hire purchase and lease payables	1,332	1,256
	<u>86,184</u>	<u>101,922</u>
	As at 30 Sep 11 RM'000	As at 30 Sep 10 RM'000
Long term borrowings		
- Hire purchase and lease payables	1,409	2,001
- Term loans	5,400	5,634
	<u>6,809</u>	<u>7,635</u>
Total	<u>92,993</u>	<u>109,557</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	18,192	54,393
- Hong Kong Dollars ("HKD")	500	190
- Chinese, Yuan Renminbi ("RMB")	36,748	17,271
		<u>71,854</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 September 2011 is analysed as follows:

	As at 30 Sep'11 RM'000	As at 30 Jun'11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	74,397	73,813
- Unrealised	(1,243)	(1,243)
	<u>73,154</u>	<u>72,570</u>
Less: Consolidation adjustments	(8,659)	(8,915)
Total group retained earnings as per consolidated financial statements	<u>64,495</u>	<u>63,655</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 September 2011 (30 September 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 September 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 14 November 2011.



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By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
17 November 2011