



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2012

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Revenue	93,166	103,868	93,166	103,868
Cost of sales	(77,774)	(86,687)	(77,774)	(86,687)
Gross Profit	15,392	17,181	15,392	17,181
Other Income	1,725	1,950	1,725	1,950
Interest Income	17	9	17	9
Administrative expenses	(10,111)	(11,258)	(10,111)	(11,258)
Selling and marketing expenses	(3,205)	(4,577)	(3,205)	(4,577)
Finance costs	(1,068)	(1,180)	(1,068)	(1,180)
Profit before tax	2,750	2,125	2,750	2,125
Income tax expense	(969)	(185)	(969)	(185)
Profit for the period	1,781	1,940	1,781	1,940
Attributable to:				
Equity holders of the parent	1,781	1,940	1,781	1,940
Non-controlling interest	-	-	-	-
	1,781	1,940	1,781	1,940
Earnings per share attributable to equity holders of the parent (sen):				
Basic	2.97	3.23	2.97	3.23
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 2012 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 2012

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Profit for the period	1,781	1,940	1,781	1,940
Other comprehensive income net of tax				
Foreign currency translation	1,252	406	1,252	406
Total comprehensive income for the period	3,033	2,346	3,033	2,346
Total comprehensive income attributable to:				
Owners of the Parent	3,033	2,346	3,033	2,346
Non-controlling interest	-	-	-	-
	3,033	2,346	3,033	2,346

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2012 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 2012

	30.06.2012 RM'000 (Unaudited)	31.03.2012 RM'000 (Unaudited) (restated)	01.04.2011 RM'000 (Unaudited) (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	84,911	86,657	87,063
Investment Properties	893	895	909
Prepaid lease payments	833	834	840
Other investment	65	70	77
Goodwill	-	19	19
	<u>86,702</u>	<u>88,475</u>	<u>88,908</u>
Current assets			
Inventories	26,931	37,257	46,583
Trade receivables	90,697	62,505	64,517
Other receivables	6,170	8,778	7,773
Other current assets	10,508	6,252	7,364
Tax Recoverable	2,706	3,475	2,472
Cash and bank balances	24,595	24,835	25,653
	<u>161,607</u>	<u>143,102</u>	<u>154,362</u>
Non-current asset classified as held for sale	260	260	282.0
	<u>161,867</u>	<u>143,362</u>	<u>154,644</u>
TOTAL ASSETS	<u>248,569</u>	<u>231,837</u>	<u>243,552</u>
EQUITY AND LIABILITIES			
Equity attributable to equity owners of the parent			
Share capital	60,012	60,012	60,012
Share premium	4	4	4
Other reserves	2,810	1,558	19
Retained earnings	60,819	59,038	56,055
	<u>123,645</u>	<u>120,612</u>	<u>116,090</u>
Non-controlling interest	-	-	-
Total Equity	<u>123,645</u>	<u>120,612</u>	<u>116,090</u>
Non-Current liabilities			
Borrowings	6,819	9,298	8,854
Deferred tax liabilities	563	565	1,145
	<u>7,382</u>	<u>9,863</u>	<u>9,999</u>
Current liabilities			
Borrowings	90,561	73,528	78,663
Trade payables	14,450	14,430	19,852
Other payables	12,531	13,404	18,920
Dividends payable	-	-	28
	<u>117,542</u>	<u>101,362</u>	<u>117,463</u>
Total liabilities	<u>124,924</u>	<u>111,225</u>	<u>127,462</u>
TOTAL EQUITY AND LIABILITIES	<u>248,569</u>	<u>231,837</u>	<u>243,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0603	2.0098	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 2012 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2012

	<----- 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	Retained Earnings RM'000	Total RM'000		
As at 1 April 2011 (restated)	60,012	4	-	19	56,055	116,090	-	116,090
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>406</u>	<u>-</u>	<u>1,940</u>	<u>2,346</u>	<u>-</u>	<u>2,346</u>
As at 30 June 2011 (restated)	<u>60,012</u>	<u>4</u>	<u>406</u>	<u>19</u>	<u>57,995</u>	<u>118,436</u>	<u>-</u>	<u>118,436</u>
As at 1 April 2012 (restated)	60,012	4	1,342	216	59,038	120,612	-	120,612
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>1,252</u>	<u>-</u>	<u>1,781</u>	<u>3,033</u>	<u>-</u>	<u>3,033</u>
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>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE FIRST QUARTER ENDED 30 JUNE 2012

	3 months ended	
	30.06.2012	30.06.2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
- Continuing operations	2,750	2,125
Adjustment for: -		
Non-cash items	(592)	(883)
Non-operating items (which are investing/financing)	3,121	2,700
Interest expense	1,068	1,180
Interest income	(17)	(9)
Operating profit before changes in working capital	<u>6,330</u>	<u>5,113</u>
Changes in working capital		
Net change in current assets	(18,922)	(25,230)
Net change in current liabilities	(854)	(6,572)
Interest paid	(1,068)	(1,180)
Tax paid	(202)	(742)
Net cash generated from operating activities	<u>(14,716)</u>	<u>(28,611)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(648)	(1,579)
- Proceeds from disposal of property, plant and equipment	571	362
- Interest received	17	9
Net cash used in investing activities	<u>(60)</u>	<u>(1,208)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(632)	(470)
- Repayment of term loans	(5,359)	(703)
- Increase in short term borrowings (excluding OD)	21,321	29,350
- Drawdown of HP & lease financing	147	-
Net cash used in financing activities	<u>15,477</u>	<u>28,177</u>
Net increase in cash and cash equivalents	701	(1,642)
Effects of exchange rate changes	(1,143)	-
Cash and cash equivalents at beginning of financial period	19,350	19,043
Cash and cash equivalents at end of financial period	<u><u>18,908</u></u>	<u><u>17,401</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	24,595	24,458
Bank overdrafts (included within short term borrowings)	(5,687)	(7,057)
	<u><u>18,908</u></u>	<u><u>17,401</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2012 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

These condensed consolidated interim financial statements, for the period ended 30 June 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 March 2013. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS") has been applied. The adoption of MFRS has no significant impact on the financial statements except for the following:

Foreign Currency Translation Reserve

Under FRS, the Group recognized translation differences of foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS.

Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM5,660K (30 June 2011: RM5,660K, 31 March 2012: RM5,660K) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 Apr 2011

RM'000	FRS as at 1 Apr 2011	Adjustments	MFRS as at 1 Apr 2011
Equity			
Foreign currency translation reserve	(5,660)	5,660	-
Retained earnings	61,715	(5,660)	56,055

Reconciliation of equity as at 30 June 2011

RM'000	FRS as at 30 Jun 2011	Adjustments	MFRS as at 30 Jun 2011
Equity			
Foreign currency translation reserve	(5,254)	5,660	406
Retained earnings	63,655	(5,660)	57,995

Reconciliation of equity as at 31 March 2012

RM'000	FRS as at 31 Mar 2012	Adjustments	MFRS as at 31 Mar 2012
Equity			
Foreign currency translation reserve	(4,318)	5,660	1,342
Retained earnings	64,698	(5,660)	59,038



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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 2012 was not qualified.

3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	142,897	154,889	142,897	154,889
Non-apparels	15,959	12,149	15,959	12,149
Total revenue before eliminations	158,856	167,038	158,856	167,038
Eliminations	(65,690)	(63,170)	(65,690)	(63,170)
Total	93,166	103,868	93,166	103,868

Segment Result

Result from continuing operations:				
Apparels	1,642	4,436	1,642	4,436
Non-apparels	450	(1,376)	450	(1,376)
	2,092	3,060	2,092	3,060
Eliminations	658	(935)	658	(935)
Total	2,750	2,125	2,750	2,125

Apparels segment:

The apparels segment's revenue for the quarter ended 30 June 2012 dropped by 7.75% or RM12.0 million to RM142.9 million from RM154.9 million recorded in the preceding year corresponding quarter. The dropped in revenue was mainly attributable to lower sales volume in China operation.

Non-apparels segment:

The non-apparels segment's revenue for the quarter ended 30 June 2012 increased by 31.4% or RM3.8 million to RM16.0 million from RM12.1 million recorded in the preceding year corresponding quarter. The increase in revenue was mainly attributable to higher sales volume and average selling price in labelling and embroidering division.

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.



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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.

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 2012.

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

On 26 April 2012, PCCS through a wholly-owned subsidiary, Mega Labels & Stickers Sdn Bhd ("MEGA") incorporated a wholly-owned subsidiary company in Cambodia under the name of Mega Labels & Stickers (Cambodia) Co., Ltd ("MEGAC"), with a registered capital of USD1,000,000.00.

11. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 30 June 2012 is as follows :

Approved and contracted for RM3million.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM105 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 2012.



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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 June 2012, the Group recorded a lower turnover of RM93.2 million compared to RM103.9 million achieved in the previous corresponding year due to the Apparels Division management is more selective in buyers' order and lower sales volume in China Operation. The pre-tax profit of the Group for the period under review increased from profit RM2.1 million in the corresponding financial period ended 30 June 2011 to profit RM2.8 million. The increase was mainly due to ongoing cost reduction, increase in production efficiency and better profit margin from buyers' order.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover increased from RM81.2 million recorded in the preceding quarter to RM93.2 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM2.8 million compared to a pre-tax profit RM1.7 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 garments manufacturing is expected to be stabled and labels & stickers business is 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 3 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Profit before tax				
Included in the profit before tax are the following items:				
Interest income	(17)	(9)	(17)	(9)
Interest expenses	1,068	1,180	1,068	1,180
Depreciation	3,175	3,058	3,175	3,058
Provision for doubtful debts	477	-	477	-
Impairment loss of other investment	5	-	5	-
Inventories written off	-	-	-	174
Gain on disposal of property, plant and equipment	(59)	(358)	(59)	(358)
Net foreign exchange gain	(1,069)	(1,057)	(1,069)	(1,057)



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19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Malaysian income tax	277	(275)	277	(275)
Foreign income tax	692	460	692	460
Total income tax expense	<u>969</u>	<u>185</u>	<u>969</u>	<u>185</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 12 RM'000	As at 30 June 11 RM'000
Short term borrowings		
- Bank overdrafts	5,803	7,058
- Bankers' acceptance	4,717	9,684
- Trade loan/Trust receipts/Export bill financing	51,807	65,288
- Term loans	4,451	2,896
- Revolving credit	21,230	21,720
- Hire purchase and lease payables	2,553	1,883
	<u>90,561</u>	<u>108,529</u>
	As at 30 June 12 RM'000	As at 30 June 11 RM'000
Long term borrowings		
- Hire purchase and lease payables	3,029	3,990
- Term loans	3,790	3,623
	<u>6,819</u>	<u>7,613</u>
Total	<u>97,380</u>	<u>116,142</u>



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	17,085	53,989
- Chinese, Yuan Renminbi ("RMB")	47,992	23,996
		<u>77,852</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 30 June 2012 is analysed as follows:

	As at 30 June'12 RM'000	As at 30 June'11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	67,317	68,121
- Unrealised	<u>(648)</u>	<u>(1,243)</u>
	66,669	66,878
Less: Consolidation adjustments	<u>(5,850)</u>	<u>(8,883)</u>
Total group retained earnings as per consolidated financial statements	<u>60,819</u>	<u>57,995</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 year ended 30 June 2012 (30 June 2011: 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 30 June 2012.



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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 24 August 2012.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
28 August 2012