



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2012

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Continuing Operations				
Revenue	81,196	73,159	363,416	378,939
Cost of sales	(67,688)	(60,864)	(307,825)	(332,516)
Gross Profit	13,508	12,295	55,591	46,423
Other Income	945	1,297	7,793	16,894
Interest Income	10	8	43	68
Administrative expenses	(10,314)	(17,976)	(38,765)	(51,703)
Selling and marketing expenses	(4,795)	(2,654)	(17,964)	(11,088)
Finance costs	(1,052)	(1,120)	(4,718)	(5,319)
(Loss)/profit before tax	(1,698)	(8,150)	1,980	(4,725)
Income tax expense	1,484	1,204	1,094	515
(Loss)/profit for the period from continuing operations	(214)	(6,946)	3,074	(4,210)
Discontinued Operation				
Profit for the year from discontinued operation	-	-	-	440
(Loss)/profit for the year	(214)	(6,946)	3,074	(3,770)
Attributable to:				
Equity holders of the parent	(214)	(6,946)	3,074	(3,783)
Non-controlling interest	-	-	-	13
	(214)	(6,946)	3,074	(3,770)
(Loss)/earnings per share attributable to equity holders of the parent (sen):				
Basic (continuing operations)	(0.36)	(11.57)	5.12	(7.02)
Basic (discontinuing operation)	-	-	-	0.73
Basic, for (loss)/profit for the year	(0.36)	(11.57)	5.12	(6.28)
Diluted (continuing operations)				
Diluted (discontinued operation)				
Diluted, for (loss)/profit for the year	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 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 COMPREHENSIVE INCOME (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2012

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
(Loss)/profit for the year	(214)	(6,946)	3,074	(3,770)
Other comprehensive (loss)/income net of tax				
Foreign currency translation	(1,028)	(725)	1,348	(3,173)
Realisation of foreign currency translation	-	(80)		(80)
Total comprehensive (loss)/ income for the year	(1,242)	(7,751)	4,422	(7,023)
Total comprehensive (loss)/ income attributable to:				
Owners of the Parent	(1,242)	(8,100)	4,422	(7,036)
Non-controlling interest	-	349	-	13
	(1,242)	(7,751)	4,422	(7,023)

The Condensed Consolidated Statement 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 MARCH 2012

	31.03.2012 RM'000 (Unaudited)	31.03.2011 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	86,817	87,063
Investment Properties	896	909
Prepaid lease payments	834	840
Other investment	70	77
Goodwill	19	19
	<u>88,636</u>	<u>88,908</u>
Current assets		
Inventories	37,226	46,583
Trade receivables	64,425	64,517
Other receivables	4,820	7,773
Other current assets	4,632	7,364
Tax Recoverable	3,530	2,472
Cash and bank balances	24,920	25,653
	<u>139,553</u>	<u>154,362</u>
Non-current asset classified as held for sale	260	282
	<u>139,813</u>	<u>154,644</u>
TOTAL ASSETS	<u>228,449</u>	<u>243,552</u>
EQUITY AND LIABILITIES		
Equity attributable to equity owners of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	(4,293)	(5,641)
Retained earnings	64,789	61,715
	<u>120,512</u>	<u>116,090</u>
Non-controlling interest	-	-
Total Equity	<u>120,512</u>	<u>116,090</u>
Non-Current liabilities		
Borrowings	7,785	8,854
Deferred tax liabilities	768	1,145
	<u>8,553</u>	<u>9,999</u>
Current liabilities		
Borrowings	74,960	78,663
Trade payables	13,721	19,852
Other payables	10,703	18,920
Dividends payable	-	28
	<u>99,384</u>	<u>117,463</u>
Total liabilities	<u>107,937</u>	<u>127,462</u>
TOTAL EQUITY AND LIABILITIES	<u>228,449</u>	<u>243,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0081	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 STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2012

	<----- Attributable to Equity Holders of the parent----->								
	<----- Non-distributable ----->					Distributable		Non- Controlling Interest RM'000	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		
As at 1 April 2010	60,012	4	(3,239)	1,563	832	63,831	123,003	336	123,339
Total comprehensive (loss)/ income for the year	-	-	(2,421)	-	(832)	(3,783)	(7,036)	13	(7,023)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(349)	(349)
Gain arising from accretion	-	-	-	-	-	123	123	-	123
Transfer to legal reserve	-	-	-	(1,544)	-	1,544	-	-	-
As at 31 March 2011	60,012	4	(5,660)	19	-	61,715	116,090	-	116,090
As at 1 April 2011	60,012	4	(5,660)	19	-	61,715	116,090	-	116,090
Total comprehensive income for the year	-	-	1,348	-	-	3,074	4,422	-	4,422
As at 31 March 2012	60,012	4	(4,312)	19	-	64,789	120,512	-	120,512

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 FLOWS (UNAUDITED) FOR THE FOURTH QUARTER ENDED 31 MARCH 2012

	12 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
- Continuing operations	1,980	(4,725)
- Discontinued operation	-	611
Profit/(loss) before tax, total	<u>1,980</u>	<u>(4,114)</u>
Adjustment for: -		
Non-cash items	463	1,065
Non-operating items (which are investing/financing)	11,403	3,103
Interest expense	4,718	5,592
Interest income	(43)	(75)
Operating profit before changes in working capital	<u>18,521</u>	<u>5,571</u>
Changes in working capital		
Net change in current assets	14,644	1,257
Net change in current liabilities	(14,349)	4,586
Interest paid	(4,718)	(5,592)
Tax paid	(341)	(733)
Net cash generated from operating activities	<u>13,757</u>	<u>5,089</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Net cash inflow on disposal of subsidiaries	1,100	44,527
- Purchase of property, plant and equipment	(12,104)	(10,664)
- Purchase of additional shares in subsidiary	-	(226)
- Proceeds from disposal of property, plant and equipment	1,694	2,807
- Interest received	43	75
Net cash (used in)/generated from investing activities	<u>(9,267)</u>	<u>36,519</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(5,039)	(1,526)
- Repayment of term loans	(6,514)	(6,642)
- Increase/(decrease) in short term borrowings (excluding OD)	331	(30,574)
- Drawdown of HP & lease financing	1,937	-
- Drawdown of term loan	5,638	-
Net cash used in financing activities	<u>(3,647)</u>	<u>(38,742)</u>
Net increase in cash and cash equivalents	843	2,866
Effects of exchange rate changes	(451)	(258)
Cash and cash equivalents at beginning of financial period	19,043	16,435
Cash and cash equivalents at end of financial period	<u>19,435</u>	<u>19,043</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	24,920	25,653
Bank overdrafts (included within short term borrowings)	<u>(5,485)</u>	<u>(6,610)</u>
	<u>19,435</u>	<u>19,043</u>

The Condensed Consolidated Statement of Cash Flows 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. 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 12 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	116,329	109,698	536,431	577,753
Non-apparels	14,507	14,407	59,050	74,479
Total revenue before eliminations	130,836	124,105	595,481	652,232
Eliminations	(49,640)	(50,946)	(232,065)	(273,293)
Total	81,196	73,159	363,416	378,939
Segment Result				
Result from continuing operations:				
Apparels	45	(4,872)	2,539	(15,816)
Non-apparels	1,300	(6,774)	1,464	7,479
	1,345	(11,646)	4,003	(8,337)
Eliminations	(3,043)	3,496	(2,023)	3,612
Total	(1,698)	(8,150)	1,980	(4,725)

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 March 2012 is as follows :

Approved and contracted for RM6.5million.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM89 million given to licensed banks in respect of bank facilities granted to subsidiaries during the twelve months financial year ended 31 March 2012.

13. SUBSEQUENT EVENTS

Save as disclosed below, there were no material events subsequent to the end of the period that have not been reflected in this quarterly report.

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. The principal activities of MEGAC would be printing and sale of labels and stickers.



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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 year ended 31 March 2012, the Group recorded a lower turnover of RM363.4 million compared to RM378.9 million achieved in the previous corresponding year due to the Apparels Division management is more selective in buyers' order. The pre-tax profit of the Group for the year under review increased from loss RM4.7 million in the corresponding financial year ended 31 March 2011 to profit RM2.0 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 decreased from RM87.5 million recorded in the preceding quarter to RM81.2 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM1.7 million compared to a pre-tax profit RM727 thousand recorded for the preceding quarter due to the spring festival and increasing operation cost in China subsidiaries.

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 12 months ended	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Profit for the period is arrived at after crediting/(charging)				
Interest income	10	8	43	68
Interest expenses	(1,052)	(1,120)	(4,718)	(5,319)
Depreciation	(2,951)	(6,415)	(12,642)	(15,867)
Allowance for doubtful debts and Bad debts written off	-	-	-	(131)
Inventories written off	-	-	(174)	-
(Loss)/gain on disposal of property, plant and equipment	(425)	45	216	349
Net foreign exchange gain/(loss)	(1,739)	516	(283)	(1,088)



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19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Malaysian income tax	(726)	(900)	(828)	(446)
Foreign income tax	(381)	(235)	111	-
	<u>(1,107)</u>	<u>(1,135)</u>	<u>(717)</u>	<u>(446)</u>
Deferred tax	(377)	(69)	(377)	(69)
Total income tax expense	<u>(1,484)</u>	<u>(1,204)</u>	<u>(1,094)</u>	<u>(515)</u>

The tax provided in the current period is mainly in respect of certain subsidiaries reporting taxable profits. Current tax assets are measured at the amount expected to be recovered from the taxation authorities.

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 Mar 12 RM'000	As at 31 Mar 11 RM'000
Short term borrowings		
- Bank overdrafts	5,485	6,610
- Bankers' acceptance	6,643	10,075
- Trade loan/Trust receipts/Export bill financing	33,143	41,491
- Term loans	5,548	2,829
- Revolving credit	22,339	15,776
- Hire purchase and lease payables	1,802	1,882
	<u>74,960</u>	<u>78,663</u>
	As at 31 Mar 12 RM'000	As at 31 Mar 11 RM'000
Long term borrowings		
- Hire purchase and lease payables	1,439	4,461
- Term loans	6,346	4,393
	<u>7,785</u>	<u>8,854</u>
Total	<u>82,745</u>	<u>87,517</u>



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	11,512	35,226
- Chinese, Yuan Renminbi ("RMB")	51,173	<u>25,075</u>
		<u>60,301</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 March 2012 is analysed as follows:

	As at 31 Mar'12 RM'000	As at 31 Mar'11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	73,251	77,484
- Unrealised	<u>(851)</u>	<u>(2,938)</u>
	72,400	74,546
Less: Consolidation adjustments	<u>(7,611)</u>	<u>(12,831)</u>
Total group retained earnings as per consolidated financial statements	<u>64,789</u>	<u>61,715</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 31 March 2012 (31 March 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 31 March 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 23 May 2012.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary
31 May 2012