



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue	95,110	87,501	250,043	282,220
Cost of sales	(79,493)	(76,555)	(211,276)	(240,137)
Gross Profit	15,617	10,946	38,767	42,083
Other Income	1,374	3,116	4,147	6,848
Interest Income	5	14	28	33
Administrative expenses	(10,882)	(8,254)	(31,612)	(28,451)
Selling and marketing expenses	(2,862)	(3,897)	(8,687)	(13,169)
Finance costs	(917)	(1,198)	(3,210)	(3,666)
Profit / (loss) before tax	2,334	727	(568)	3,678
Income tax expense	(1,657)	(219)	(2,598)	(390)
Profit / (Loss) for the period	677	508	(3,166)	3,288
Attributable to:				
Equity holders of the parent	677	508	(3,166)	3,288
Non-controlling interest	-	-	-	-
	677	508	(3,166)	3,288
Earnings per share attributable to equity holders of the parent (sen):				
Basic	1.13	0.85	(5.28)	5.48
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.



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Company No. 280929-K
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Profit / (Loss) for the period	677	508	(3,166)	3,288
Other comprehensive income net of tax				
Foreign currency translation	(1,604)	2,085	(830)	2,376
Total comprehensive income for the period	(927)	2,593	(3,996)	5,664
Total comprehensive income attributable to:				
Owners of the Parent	(927)	2,593	(3,996)	5,664
Non-controlling interest	-	-	-	-
	(927)	2,593	(3,996)	5,664

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 AS AT 31 DECEMBER 2012 (UNAUDITED)

	31.12.2012 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	88,976	86,657	87,063
Investment Properties	887	895	909
Prepaid lease payments	818	834	840
Other investment	67	70	77
Goodwill	-	19	19
	<u>90,748</u>	<u>88,475</u>	<u>88,908</u>
Current assets			
Inventories	34,560	37,257	46,583
Trade receivables	76,013	62,505	64,517
Other receivables	19,306	8,778	7,773
Other current assets	4,614	6,252	7,364
Tax Recoverable	3,549	3,475	2,472
Cash and bank balances	18,412	24,835	25,653
	<u>156,454</u>	<u>143,102</u>	<u>154,362</u>
Non-current asset classified as held for sale	-	260	282.0
	<u>156,454</u>	<u>143,362</u>	<u>154,644</u>
TOTAL ASSETS	<u>247,202</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	728	1,558	19
Retained earnings	55,872	59,038	56,055
	<u>116,616</u>	<u>120,612</u>	<u>116,090</u>
Non-controlling interest	-	-	-
Total Equity	<u>116,616</u>	<u>120,612</u>	<u>116,090</u>
Non-Current liabilities			
Borrowings	8,228	9,298	8,854
Deferred tax liabilities	578	565	1,145
	<u>8,806</u>	<u>9,863</u>	<u>9,999</u>
Current liabilities			
Borrowings	65,819	73,528	78,663
Trade payables	26,055	14,430	19,852
Other payables	29,906	13,404	18,920
Dividends payable	-	-	28
	<u>121,780</u>	<u>101,362</u>	<u>117,463</u>
Total liabilities	<u>130,586</u>	<u>111,225</u>	<u>127,462</u>
TOTAL EQUITY AND LIABILITIES	<u>247,202</u>	<u>231,837</u>	<u>243,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.9432	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 THIRD QUARTER ENDED 31 DECEMBER 2012

	←----- Attributable to Equity Holders of the parent ----->					Total RM'000	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			
As at 1 April 2011 (restated)	60,012	4	-	19	56,055	116,090	-	116,090
Total comprehensive income for the period	-	-	2,376	-	3,288	5,664	-	5,664
As at 31 December 2011 (restated)	<u>60,012</u>	<u>4</u>	<u>2,376</u>	<u>19</u>	<u>59,343</u>	<u>121,754</u>	<u>-</u>	<u>121,754</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	-	-	(830)	-	(3,166)	(3,996)	-	(3,996)
As at 31 December 2012	<u>60,012</u>	<u>4</u>	<u>512</u>	<u>216</u>	<u>55,872</u>	<u>116,616</u>	<u>-</u>	<u>116,616</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 THIRD QUARTER ENDED 31 DECEMBER 2012

	9 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
- Continuing operations	(568)	3,678
Adjustment for:-		
Non-cash items	514	719
Non-operating items (which are investing/financing)	9,041	9,410
Interest expense	3,210	3,666
Interest income	(28)	(33)
Operating profit before changes in working capital	12,169	17,440
Changes in working capital		
Net change in current assets	(20,196)	(3,305)
Net change in current liabilities	28,128	(13,032)
Interest paid	(3,210)	(3,666)
Tax paid	(2,658)	(1,067)
Net cash generated from/(used in) operating activities	14,233	(3,630)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Net cash inflow on disposal of subsidiaries	237	1,098
- Purchase of property, plant and equipment	(13,329)	(11,263)
- Proceeds from disposal of property, plant and equipment	2,631	1,517
- Interest received	28	33
Net cash used in investing activities	(10,433)	(8,615)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of hire purchase & lease financing	(1,841)	(4,581)
- Repayment of term loans	(2,358)	(5,671)
- (Decrease)/increase in short term borrowings	(3,338)	13,978
- Drawdown of HP & lease financing	100	1,937
- Drawdown of term loan	3,050	5,238
Net cash (used in)/generated from financing activities	(4,387)	10,901
Net decrease in cash and cash equivalents	(587)	(1,344)
Effects of exchange rate changes	(1,443)	(997)
Cash and cash equivalents at beginning of financial period	19,350	19,043
Cash and cash equivalents at end of financial period	17,320	16,702
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	18,412	22,660
Bank overdrafts	(1,092)	(5,958)
	17,320	16,702

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 September 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 (31 December 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 31 December 2011

RM'000	FRS as at 31 Dec 2011	Adjustments	MFRS as at 31 Dec 2011
Equity			
Foreign currency translation reserve	(3,284)	5,660	2,376
Retained earnings	65,003	(5,660)	59,343

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		Cumulative quarter	
	3 months ended		9 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	133,285	125,547	358,625	420,102
Non-apparels	16,159	15,888	46,577	44,543
Total revenue before eliminations	149,444	141,435	405,202	464,645
Eliminations	(54,334)	(53,934)	(155,159)	(182,425)
Total	95,110	87,501	250,043	282,220
Segment Result				
Result from continuing operations:				
Apparels	2,073	(717)	(721)	2,494
Non-apparels	911	(252)	13	164
	2,984	(969)	(708)	2,658
Eliminations	(650)	1,696	140	1,020
Total	2,334	727	(568)	3,678

Apparels segment:

The apparels segment's revenue for the quarter ended 31 December 2012 increased by 6% or RM7.7 million to RM133.3 million from RM125.5 million recorded in the preceding year corresponding quarter.

Non-apparels segment:

The non-apparels segment's revenue for the quarter ended 31 December 2012 increased by 1.7% or RM271 thousand to RM16.2 million from RM15.9 million recorded in the preceding year corresponding quarter. The increase in revenue was mainly attributable to higher sales volume.

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

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 2012 is as follows :

Approved and contracted for RM500 thousand.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM75 million given to licensed banks in respect of bank facilities granted to subsidiaries during the nine months financial period ended 31 December 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 31 December 2012, the Group recorded a higher turnover of RM95.1 million compared to RM87.5 million achieved in the previous corresponding year. The increase in Group revenue during the current quarter was mainly attributable to the increased sales from the labelling segment. The pre-tax profit of the Group for the period under review increased from profit RM727 thousand in the corresponding financial period ended 31 December 2011 to profit RM2.3 million. The profit was mainly due to the increase in revenue and better cost control.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover increased from RM61.8 million recorded in the preceding quarter to RM95.1 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM2.3 million compared to a pre-tax loss RM5.7 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 9 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Profit before tax				
Included in the profit before tax are the following items:				
Interest income	(5)	(14)	(28)	(33)
Interest expenses	917	1,198	3,210	3,666
Depreciation	2,990	3,489	9,267	9,691
Provision for doubtful debts	-	-	468	-
Impairment loss of other investment	-	-	3	-
Inventories written off	-	-	-	(174)
Goodwill written off	-	-	19	-
Gain on disposal of property, plant and equipment	143	719	8	(641)
Impairment of PPE	-	1,284	-	1,284
Net foreign exchange gain	670	(311)	27	(1,456)



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19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Malaysian income tax	1,149	122	1,497	(102)
Foreign income tax	508	97	1,101	492
Total income tax expense	<u>1,657</u>	<u>219</u>	<u>2,598</u>	<u>390</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 31 Dec 12 RM'000	As at 31 Dec 11 RM'000
Short term borrowings		
- Bank overdrafts	1,092	5,958
- Bankers' acceptance	3,301	6,713
- Trade loan/Trust receipts/Export bill financing	35,231	53,205
- Term loans	3,610	5,817
- Revolving credit	20,255	15,585
- Hire purchase and lease payables	2,330	1,834
	<u>65,819</u>	<u>89,112</u>
	As at 31 Dec 12 RM'000	As at 31 Dec 11 RM'000
Long term borrowings		
- Hire purchase and lease payables	2,464	1,865
- Term loans	5,764	6,789
	<u>8,228</u>	<u>8,654</u>
Total	<u>74,047</u>	<u>97,766</u>



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Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	12,902	39,351
- Hong Kong Dollars ("HKD")	1,600	624
- Chinese, Yuan Renminbi ("RMB")	39,154	19,186
		<u>54,536</u>

22. REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

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

	As at 31 Dec'12 RM'000	As at 31 Dec'11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	62,934	73,204
- Unrealised	<u>(648)</u>	<u>(1,243)</u>
	62,286	71,961
Less: Consolidation adjustments	<u>(6,414)</u>	<u>(6,958)</u>
Total group retained earnings as per consolidated financial statements	<u>55,872</u>	<u>65,003</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 December 2012 (31 December 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 December 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 22 February 2013.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

Company Secretary

27 February 2013