



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED 31 MARCH 2009

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2009 RM'000	31.03.2008 RM'000	31.03.2009 RM'000	31.03.2008 RM'000
<b>Continuing Operations</b>				
Revenue	121,216	111,986	592,918	481,952
Cost of sales	(109,784)	(97,668)	(533,627)	(413,177)
<b>Gross Profit</b>	<b>11,432</b>	<b>14,318</b>	<b>59,291</b>	<b>68,775</b>
Other Income	1,176	2,913	4,667	6,148
Interest Income	9	49	97	91
Administrative expenses	(6,771)	(14,069)	(46,625)	(51,061)
Selling and marketing expenses	(5,303)	(4,700)	(21,836)	(15,670)
Finance costs	(2,511)	(1,822)	(11,332)	(8,002)
<b>Profit/(Loss) before tax</b>	<b>(1,968)</b>	<b>(3,311)</b>	<b>(15,738)</b>	<b>281</b>
Income tax expense	(467)	25	(1,853)	(997)
<b>Profit/(Loss) for the period</b>	<b>(2,435)</b>	<b>(3,286)</b>	<b>(17,591)</b>	<b>(716)</b>
Attributable to:				
Equity holders of the parent	(2,445)	(3,297)	(17,642)	(847)
Minority interest	10	11	51	131
	<b>(2,435)</b>	<b>(3,286)</b>	<b>(17,591)</b>	<b>(716)</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit from continuing operations	(4.07)	(5.49)	(29.40)	(1.41)
Basic, for profit for the period	(4.07)	(5.49)	(29.40)	(1.41)
Diluted, for profit for the period	Not applicable		Not applicable	

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.



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## CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT 31 MARCH 2009

	31.03.2009 RM'000 (Unaudited)	31.03.2008 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	166,331	147,785
Investment Properties	1,524	4,962
Prepaid lease payments	5,273	4,492
Other investment	54	84
Goodwill	19	19
	<u>173,201</u>	<u>157,342</u>
<b>Current assets</b>		
Inventories	81,610	79,887
Trade receivables	100,000	79,182
Other receivables	22,865	19,274
Tax Recoverable	2,155	792
Cash and bank balances	21,675	19,588
	<u>228,305</u>	<u>198,723</u>
Non-current asset classified as held for sale	1,354	2,400
	<u>229,659</u>	<u>201,123</u>
<b>TOTAL ASSETS</b>	<u>402,860</u>	<u>358,465</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	8,493	(4,713)
Retained earnings	55,409	73,050
	<u>123,918</u>	<u>128,353</u>
Minority interest	320	270
<b>Total Equity</b>	<u>124,238</u>	<u>128,623</u>
<b>Non-Current liabilities</b>		
Borrowings	14,465	30,707
Deferred tax liabilities	3,946	3,750
	<u>18,411</u>	<u>34,457</u>
<b>Current liabilities</b>		
Borrowings	181,807	141,981
Trade payables	34,494	30,126
Other payables	43,882	23,249
Dividends payable	28	29
	<u>260,211</u>	<u>195,385</u>
<b>Total liabilities</b>	<u>278,622</u>	<u>229,842</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>402,860</u>	<u>358,465</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0649	2.1388

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2008 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 STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 31 MARCH 2009

Note	<----- Attributable to Equity Holders of the parent----->							
	<----- 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	Minority Interest RM'000	Total Equity RM'000
As at 1 April 2007	60,012	4	(2,335)	1,271	76,262	135,214	659	135,873
Purchase shares from minority interest	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	(847)	(847)	131	(716)
Foreign currency translation	-	-	(3,914)	-	-	(3,914)	-	(3,914)
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	(3,914)	-	(847)	(4,761)	131	(4,630)
Disposal of investment in subsidiaries	-	-	-	-	-	-	(520)	(520)
Transfer to legal reserve fund	-	-	-	265	(265)	-	-	-
Dividends	-	-	-	-	(2,100)	(2,100)	-	(2,100)
As at 31 March 2008	<u>60,012</u>	<u>4</u>	<u>(6,249)</u>	<u>1,536</u>	<u>73,050</u>	<u>128,353</u>	<u>270</u>	<u>128,623</u>
As at 1 April 2008	60,012	4	(6,249)	1,536	73,050	128,353	270	128,623
Profit/(Loss) for the period	-	-	-	-	(17,642)	(17,642)	51	(17,591)
Foreign currency translation	-	-	13,179	-	-	13,179	-	13,179
Transfer to legal reserve	-	-	-	27	-	27	-	27
Total recognised income and expense for the period	-	-	13,179	27	(17,642)	(4,436)	51	(4,385)
As at 31 March 2009	<u>60,012</u>	<u>4</u>	<u>6,930</u>	<u>1,563</u>	<u>55,408</u>	<u>123,917</u>	<u>321</u>	<u>124,238</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 2008 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Unaudited) FOR THE TWELVE MONTHS PERIOD ENDED 31 MARCH 2009

	12 months ended	
	31.03.2009	31.03.2008
	RM'000	RM'000
Net cash (used in) operating activities	3,660	(38,248)
Net cash (used in) investing activities	(18,336)	(30,208)
Net cash generated from financing activities	24,086	66,126
Net increase/(decrease) in cash and cash equivalents	<u>9,410</u>	<u>(2,330)</u>
Effects of exchange rate changes	(6,821)	(433)
Cash and cash equivalents at beginning of financial period	14,872	17,635
Cash and cash equivalents at end of financial period	<u><u>17,461</u></u>	<u><u>14,872</u></u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at	As at
	31.03.2009	31.03.2008
	RM'000	RM'000
Cash and bank balances	21,675	19,588
Bank overdrafts (included within short term borrowings)	(4,209)	(4,699)
Deposits pledged to banks	(5)	(17)
	<u><u>17,461</u></u>	<u><u>14,872</u></u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## 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 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 2008. 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 2008.

### 2. AUDITORS' REPORT ON PROCEEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 March 2008 was not qualified.

### 3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	162,971	151,403	807,584	646,032
Non-apparels	25,436	27,215	124,539	103,737
Total revenue before eliminations	188,407	178,618	932,123	749,769
Eliminations	(67,191)	(66,632)	(339,204)	(267,817)
Total	121,216	111,986	592,919	481,952

#### Segment Result

Result from continuing operations:				
Apparels	4,960	5,317	(13,717)	4,925
Non-apparels	3,326	791	7,751	3,358
	8,286	6,108	(5,966)	8,283
Eliminations	(10,254)	(9,274)	(9,772)	(8,999)
Total	(1,968)	(3,166)	(15,738)	(716)

### 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.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## 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 2008.

## 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 25 March 2009, PCCS Capital Sdn. Bhd., a wholly-owned sub-subsiary of PCCS had changed its name to PCCS Mediserve Sdn. Bhd.

On 25 March 2009, PCCS had undertaken an internal reorganization involving two of its subsidiary companies i.e. PCCS Garments (Suzhou) Ltd and PCCS (Hong Kong) Limited.

## 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 2009 is as follows :

Approved and contracted for RM769 thousand.

## 12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM209 million given to licensed banks in respect of bank facilities granted to subsidiaries during the nine months financial period ended 31 March 2009.

## 13. SUBSEQUENT EVENTS

On 1 April 2009, Beauty Electronic Embroidering Centre Sdn. Bhd., a wholly-owned subsidiary of PCCS had entered into a sale and purchase agreement for the disposal of all that piece of industrial leasehold land together with two (2) units of 1 ½-storey industrial buildings erected thereon, held under H.S(D) 17719, PTD 5977 Mukim Sri Gading, District of Batu Pahat, Johor and bearing postal address PLO 5, Kawasan Perindustrian Parit Raja, Parit Raja, 86400 Batu



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

Pahat, Johor Darul Takzim, measuring approximately 0.4047 hectares to Harta Fleksipak Sdn. Bhd., at a sale price of RM1,800,000/=.

On 1 April 2009, Perusahaan Chan Choo Sing Sdn. Bhd., a wholly-owned subsidiary of PCCS had entered into a sale and purchase agreement for the disposal of all that piece of industrial leasehold land together with three (3) single storey industrial buildings erected thereon, held under H.S(D) 47791, PTD 12962 Mukim Sri Gading, District of Batu Pahat, Johor and bearing postal address PLO 7, Kawasan Perindustrian Parit Raja, Parit Raja, 86400 Batu Pahat, Johor Darul Takzim measuring approximately 8741.9864 square meters to Harta Packaging Industries Sdn. Bhd., at a sale price of RM3,000,000/=.

On 4 May 2009, PCCS had undertaken an internal reorganization involving three of its subsidiary companies i.e. Blopak China Private Ltd, China Roots Packaging Pte Ltd and Mega Labels (Selangor) Sdn. Bhd.

## **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 March 2009, the Group recorded a higher turnover of RM592.9 million compared to RM482 million achieved in the last financial period. The pre-tax profit of the Group decreased from RM281 thousand achieved in the last financial period ended 31 March 2008 to a pre-tax loss of RM15.7 million recorded for the period under review. Losses were mainly attributed by prices committed to buyers from previous buying seasons and the inflationary effects on our wages and energy-related costs.

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

Total turnover decreased from RM184 million recorded in the preceding quarter to RM121 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM2 million compared to a pre-tax loss RM5.9 million recorded for the preceding quarter. The reasons for the losses were partly due to the additional costs incurred in our Cambodia plants.

### **16. COMMENTARY ON PROSPECTS**

The Group is in the midst of consolidating its action plans in maintaining its working capital, which will be crucial to tide over this volatility period and concurrently, reviewing its operational process to further improve efficiency and productivity. Total revenue from its core business of garments manufacturing and other divisions are expected to be maintained albeit on tight margins under the current operating environment which will remain tough till the end of the financial year.

### **17. PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable to the Group as no profit forecast or profit guarantee was published.



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Company No. 280929-K  
(Incorporated in Malaysia)

## 18. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	154	(263)	672	527
Foreign income tax	313	238	1,181	470
<b>Total income tax expense</b>	<b>467</b>	<b>(25)</b>	<b>1,853</b>	<b>997</b>

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 year to-date.

## 20. QUOTED SECURITIES

There were no purchases and disposals of quoted securities during the quarter under review and financial year-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 31 Mar 09	As at 31 Mar 08
	RM'000	RM'000
<b>Short term borrowings</b>		
- Bank overdrafts	6,317	4,699
- Bankers' acceptance	49,249	47,863
- Trade loan/Trust receipts/Export bill financing	55,173	38,366
- Term loans	25,248	30,268
- Revolving credit	41,107	15,963
- Hire purchase and lease payables	4,713	4,822
	<b>181,807</b>	<b>141,981</b>





# PCCS Group Berhad

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## Long term borrowings

- Hire purchase and lease payables	4,323	5,531
- Term loans	10,142	25,176
	<u>14,465</u>	<u>30,707</u>

<b>Total</b>	<b>196,272</b>	<b>172,688</b>
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## Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	19,371	70,705
- Hong Kong Dollars ("HKD")	23,218	12,305
- Chinese, Yuan Renminbi ("RMB")	89,998	47,699
		<u>130,709</u>

## 23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group has entered into the following outstanding foreign currency contract.

USD/MYR Target Redemption Forward for USD500,000 per bi-weekly.

Reference Period : 12 May 2008 to 15 Mar 2010

Strike Rate : 3.31

Outstanding Target Redemption Value : 910 basis points

The contract is used to hedge against confirm export proceeds in foreign currencies.

## 24. CHANGES IN MATERIAL LITIGATION

There was no pending material litigation as at the date of this announcement.

## 25. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 March 2009 (31 March 2008: NIL).

## 26. 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 2008.



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## 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 25 May 2009.

By Order of the Board

**CHUA SIEW CHUAN(MAICSA 0777689)**  
Company Secretary  
29 May 2009