



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

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

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
<b>Continuing Operations</b>				
Revenue	107,110	183,892	393,698	471,702
Cost of sales	(87,824)	(166,602)	(329,056)	(423,843)
<b>Gross Profit</b>	<b>19,286</b>	<b>17,290</b>	<b>64,642</b>	<b>47,859</b>
Other Income	(1,546)	(209)	5,229	3,491
Interest Income	144	29	165	88
Administrative expenses	(10,730)	(13,595)	(37,773)	(39,854)
Selling and marketing expenses	(4,506)	(6,109)	(15,474)	(16,533)
Finance costs	(1,795)	(3,283)	(6,577)	(8,821)
<b>Profit before tax</b>	<b>853</b>	<b>(5,877)</b>	<b>10,212</b>	<b>(13,770)</b>
Income tax expense	79	(314)	(1,407)	(1,386)
<b>Profit for the period</b>	<b>932</b>	<b>(6,191)</b>	<b>8,805</b>	<b>(15,156)</b>
Attributable to:				
Equity holders of the parent	913	(6,220)	8,824	(15,197)
Minority interest	19	29	(19)	41
	<b>932</b>	<b>(6,191)</b>	<b>8,805</b>	<b>(15,156)</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit from continuing operations	1.52	(10.36)	14.70	(25.32)
Basic, for profit for the period	1.52	(10.36)	14.70	(25.32)
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 2009 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

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

	31.12.2009 RM'000 (Unaudited)	31.03.2009 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	147,865	164,902
Investment Properties	1,247	1,540
Prepaid lease payments	4,660	5,143
Other investment	54	54
Goodwill	19	19
	<u>153,845</u>	<u>171,658</u>
<b>Current assets</b>		
Inventories	70,158	79,549
Trade receivables	87,385	100,006
Other receivables	11,760	21,074
Tax Recoverable	-	451
Cash and bank balances	33,596	21,198
	<u>202,899</u>	<u>222,278</u>
Non-current asset classified as held for sale	452	2,294
	<u>203,351</u>	<u>224,572</u>
<b>TOTAL ASSETS</b>	<u>357,196</u>	<u>396,230</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	2,688	7,999
Retained earnings	64,874	56,050
	<u>127,578</u>	<u>124,065</u>
<b>Minority interest</b>	<u>301</u>	<u>320</u>
<b>Total Equity</b>	<u>127,879</u>	<u>124,385</u>
<b>Non-Current liabilities</b>		
Borrowings	14,746	15,170
Deferred tax liabilities	1,988	1,954
	<u>16,734</u>	<u>17,124</u>
<b>Current liabilities</b>		
Borrowings	162,471	181,452
Trade payables	23,767	35,686
Other payables	25,546	37,555
Tax payable	771	-
Dividends payable	28	28
	<u>212,583</u>	<u>254,721</u>
<b>Total liabilities</b>	<u>229,317</u>	<u>271,845</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>357,196</u>	<u>396,230</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.1259	2.0673

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 31 DECEMBER 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 2008	60,012	4	(6,249)	1,563	73,050	128,380	270	128,650
Profit for the period	-	-	-	-	(15,197)	(15,197)	41	(15,156)
Foreign currency translation	-	-	13,402	-	-	13,402	-	13,402
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	13,402	-	(15,197)	(1,795)	41	(1,754)
As at 31 December 2008	<u>60,012</u>	<u>4</u>	<u>7,153</u>	<u>1,563</u>	<u>57,853</u>	<u>126,585</u>	<u>311</u>	<u>126,896</u>
As at 1 April 2009	60,012	4	6,463	1,536	56,050	124,065	320	124,385
Profit for the period	-	-	-	-	8,824	8,824	(19)	8,805
Foreign currency translation	-	-	(5,311)	-	-	(5,311)	-	(5,311)
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	(5,311)	-	8,824	3,513	(19)	3,494
As at 31 December 2009	<u>60,012</u>	<u>4</u>	<u>1,152</u>	<u>1,536</u>	<u>64,874</u>	<u>127,578</u>	<u>301</u>	<u>127,879</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 2009 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Unaudited) FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2009

	9 months ended	
	31.12.2009	31.12.2008
	RM'000	RM'000
Net cash generated from/(used in) operating activities	34,332	(37,298)
Net cash (used in) investing activities	(1,296)	(17,683)
Net cash (used in)/generated from financing activities	(19,611)	55,608
Net increase/(decrease) in cash and cash equivalents	13,425	627
Effects of exchange rate changes	(1,233)	(4,636)
Cash and cash equivalents at beginning of financial period	15,438	14,872
Cash and cash equivalents at end of financial period	27,630	10,863

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

	As at 31.12.2009 RM'000	As at 31.12.2008 RM'000
Cash and bank balances	33,596	14,876
Bank overdrafts (included within short term borrowings)	(5,949)	(4,008)
Deposits pledged to banks	(17)	(5)
	27,630	10,863

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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 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 2009. 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 2009.

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

The auditors' report on the financial statements for the year ended 31 March 2009 was not qualified.

### 3. SEGMENTAL INFORMATION

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	138,167	275,539	533,682	644,613
Non-apparels	29,528	34,435	83,471	99,103
Total revenue before eliminations	167,695	309,974	617,153	743,716
Eliminations	(60,585)	(126,082)	(223,455)	(272,014)
Total	107,110	183,892	393,698	471,702
<b>Segment Result</b>				
Result from continuing operations:				
Apparels	(436)	(8,153)	3,115	(18,677)
Non-apparels	2,995	2,722	8,654	4,425
	2,559	(5,431)	11,769	(14,252)
Eliminations	(1,705)	(446)	(1,556)	482
Total	854	(5,877)	10,213	(13,770)

### 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 2009.

## 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

PCCS Group Berhad ("PCCS") had on 6 November 2009 incorporated a wholly-owned subsidiary company in Hong Kong under the name of Roots Investment Holding Private Limited (ROOTS HK) via the subscription of 10,000 ordinary shares of HKD 1.00 each at par value by PCCS in ROOTS HK, representing 100% of the issued and paid-up share capital of ROOTS HK.

## 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 2009 is as follows :

Approved and contracted for RM251 thousand.

## 12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM184 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 31 December 2009.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## 13. SUBSEQUENT EVENTS

Shern Yee Garments Sdn. Bhd. (Shern Yee), a wholly-owned subsidiary of PCCS, had on 11 January 2010 entered into a Share Sale Agreement with Mr. Lim Wee Sern for the disposal of 100,000 Ordinary Shares of RM1.00 each in PCCS Mediserve Sdn. Bhd. (formerly known as PCCS Capital Sdn. Bhd.) (PCCS Mediserve), representing 100% of the total issued and paid-up share capital of PCCS Mediserve at a consideration of RM2.00. Consequent upon the above disposal, PCCS Mediserve would cease to be a wholly-owned sub-subidiary of PCCS.

## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

## 14. PERFORMANCE REVIEW

During the nine months period ended 31 December 2009, the Group recorded a lower turnover of RM393.7 million compared to RM471.7 million achieved in the previous corresponding period due to the buyers' orders from Apparels Division had dropped. The pre-tax profit of the Group improve from loss RM13.8 million achieved in the corresponding financial period ended 31 December 2008 to a pre-tax profit of RM10.2 million recorded for the period under review. The profit is contributed by cost cutting exercise.

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

Total turnover decreased from RM119.1 million recorded in the preceding quarter to RM107.1 million achieved in the current quarter due to the buyers' orders from Apparels Division had dropped. The pre-tax profit of the Group recorded at RM854,000 compared to a pre-tax profit RM1.3 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 current financial year.

## 17. PROFIT FORECAST OR PROFIT GUARANTEE

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



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## 18. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
Malaysian income tax	210	128	771	518
Foreign income tax	(289)	186	636	868
Total income tax expense	<u>(79)</u>	<u>314</u>	<u>1,407</u>	<u>1,386</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

Save as disclosed below, there were no sales of unquoted investment and properties of the Group during quarter under review and financial year to-date:

Shern Yee Garments Sdn. Bhd. (Shern Yee), a wholly-owned subsidiary of PCCS, had on 11 January 2010 entered into a Share Sale Agreement with Mr. Lim Wee Sern for the disposal of 100,000 Ordinary Shares of RM1.00 each in PCCS Mediserve Sdn. Bhd. (formerly known as PCCS Capital Sdn. Bhd.) (PCCS Mediserve), representing 100% of the total issued and paid-up share capital of PCCS Mediserve at a consideration of RM2.00. Consequent upon the above disposal, PCCS Mediserve would cease to be a wholly-owned sub-subdiary of PCCS.

## 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.





# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## 22. GROUP BORROWINGS

	As at 31 Dec 09 RM'000	As at 31 Mar 09 RM'000
<b>Short term borrowings</b>		
- Bank overdrafts	5,949	5,743
- Bankers' acceptance	35,906	50,067
- Trade loan/Trust receipts/Export bill financing	63,323	54,838
- Term loans	24,057	16,141
- Revolving credit	30,638	49,931
- Hire purchase and lease payables	2,598	4,732
	<u>162,471</u>	<u>181,452</u>

	As at 31 Dec 09 RM'000	As at 31 Mar 09 RM'000
<b>Long term borrowings</b>		
- Hire purchase and lease payables	2,691	4,303
- Term loans	12,055	10,867
	<u>14,746</u>	<u>15,170</u>
<b>Total</b>	<u>177,217</u>	<u>196,622</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	15,936	54,023
- Hong Kong Dollars ("HKD")	66,975	29,469
- Chinese, Yuan Renminbi ("RMB")	79,097	39,548
		<u>123,040</u>

## 23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group has entered into the following outstanding foreign currency contract to hedge against confirm export proceeds in foreign currencies :-

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

Reference Period : 12 May 2008 to 15 Mar 2010

Strike Rate : 3.31

Target Redemption Value : 5,000 basis points

Outstanding redemption points : 920 basis points

The Group does not foresee any significant credit and market risks as the rates are fixed at the time when contracts are entered into.



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## 24. CHANGES IN MATERIAL LITIGATION

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

## 25. DIVIDEND PAYABLE

No interim dividend has been declared for the financial period ended 31 December 2009 (31 December 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 2009.

## 27. 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 February 2010.

By Order of the Board

**CHUA SIEW CHUAN(MAICSA 0777689)**  
Company Secretary  
24 February 2010