NOTES: -

1. **ACCOUNTING POLICIES**
The quarterly financial statements of the Group are prepared using the same accounting policies and methods of computation as those used in the preparation of the most recent annual financial statement.

2. **EXCEPTIONAL ITEMS**
The exceptional item of RM3.539million was due to the disposal of 15% equity interest in one of the Company's subsidiary.

3. **EXTRAORDINARY ITEMS**
There were no extraordinary items for the individual and cumulative quarter ended 31 March 2002.

4. **TAXATION**
Taxation comprises the following:

	Individual Quarter	Cumulative Quarter	
		Current	Preceding Year
	RM'000	RM'000	RM'000
Current Taxation	820	3,488	4,999
Under/(Over)-provision in previous years	Nil	Nil	Nil
Deferred Taxation	Nil	Nil	Nil

The effective tax rate on the Group's profit is lower than the statutory tax rate principally due to the claim of reinvestment allowances by certain subsidiaries in Malaysia. In addition, a Singapore associate, Tex Line Associates Pte Ltd ("TLA") has been awarded the Approved International Trader ("AIT") incentive by the Singapore Development Board, which entitles TLA to enjoy tax rate of 10% for a period of 5 years commencing 1 April, 1999.

5. **PROFITS ON SALE OF INVESTMENT AND/OR PROPERTIES**
As mentioned in Note 2 above, there was a profit on disposal of 15% equity interest in one of the company's subsidiary.

6. **QUOTED SECURITIES**
As at 31 March 2002, the Group did not hold any quoted securities, nor were there any purchase or disposal of quoted securities for the period ended 31 March 2002.

7. **CHANGES IN THE COMPOSITION OF THE COMPANY**
Changes in the composition of the Group and the Company for the period ended 31 March 2002 has been mentioned under Note 8.

8. **STATUS OF CORPORATE PROPOSALS**
(i) As at 31 March 2002, the disposal of 15% equity interest in TLA to Tex Line Pte Ltd for a total cash consideration of SGD5,006,812.50 (equivalent to

approximately RM10,614,442.50 based on the exchange rate of 2.12 as at the date of announcement on 28 March 2001) had been duly completed. The Company's shareholding in TLA had been diluted from 60% to 45% and TLA is currently an associate of the Company.
As at the date of this announcement, all the total disposal proceeds amounted to RM 10.565million have been utilised to settle term loans and working capital of certain subsidiaries.

(ii) On 19 July 2001, Alliance Merchant Bank Berhad ("Alliance"), on behalf of the Company has announced the following proposals:

- Proposed bonus issue of 24,000,000 new ordinary shares of RM1/- each ("Share") on the basis of two (2) new Shares for every three (3) existing Shares held ("Proposed Bonus Issue");
- Proposed employees' share option scheme for the Executive Directors and eligible employees of PCCS and its subsidiaries ("PCCS Group") ("Proposed ESOS").

The above proposals have been approved by:

- The Securities Commission via their letter dated 7 September 2001;
- The KLSE via their letter dated 26 October 2001;
- Shareholders of the Company at the Extraordinary General Meeting on 29 September 2001.

The additional 24,000,000 new ordinary shares of RM1.00 each pursuant to the Bonus Issue was granted listing and quotation with effect from 16 November 2001.
Hence, the Group's paid-up capital was increased to RM60.0 million.

The Company's ESOS have been launched and offered to its employees on 25 March 2002 at an offer price of RM1.30 after 10% discount.

9. DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period ended 31 March 2002.

10. GROUP BORROWINGS AND DEBT SECURITIES

Total Group Borrowings as at 31 March 2002 is as follows :-

Short Term Borrowings	**RM'000**
Unsecured - Bank Overdrafts	350
- Export Credit Refinancing	7,450
- Bankers' Acceptance	17,808
- Trust Receipts & Letter of Credit	466
	26,074

The unsecured short-term borrowings are guaranteed by the Company. The above facilities bear interest of between 3.50% to 9.00% per annum.

Term Loans		**RM'000**
Term Loans	- Secured	-
	- Unsecured	7,438
		7,438
Repayments due within twelve months included in current liabilities		(3,146)
		4,292

The secured term loans are secured by way of fixed and floating charges over certain fixed assets of the subsidiaries. The unsecured term loans are guaranteed by the Company. The above facilities bear interest of between 5.00% to 9.00% per annum. All borrowings are denominated in Ringgit Malaysia.

11. CONTINGENT LIABILITIES

Contingent liabilities of the Group as at 18 May 2002 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) comprise of the following :-

	RM'000
Corporate guarantee issued to Financial institutions for credit Facilities utilised by subsidiaries	50,373

12. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As at 18 May 2002 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the Group has entered into the following outstanding foreign currency contracts to hedge against committed purchases and confirmed export proceeds in foreign currencies:-

TYPE	**CURRENCY**	**CONTRACT AMOUNT ('000)**	**EQUIVALENT AMOUNT IN RINGGIT MALAYSIA ('000)**
Foreign Exchange Sell Contract	USD	4,935	18,753

EXPIRY DATES	**PURPOSE**
04/06/2002 TO 07/08/2002	To hedge against confirmed export proceeds

As the foreign currency contracts are entered into to hedge the Group's confirmed export proceeds in foreign currencies, the contracted rates will be used to convert the foreign currency amounts into Ringgit Malaysia as and when they are taken up, before the expiry dates.

13. MATERIAL LITIGATION

The Group is not engaged in any material litigation as at 18 May 2002 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

14. SEGMENTAL REPORTING

	Turnover RM'000	Profit Before Taxation RM'000	Assets Employed RM'000
Malaysia	189,442	11,606	142,031
Singapore	11,578	9,650	-*
Cambodia	26,435	453	24,720
	227,455	21,709	166,751

* The assets employed of an associate company, TLA has been excluded for the purpose of Segmental Reporting subsequent to the disposal of 15% equity interest in TLA. TLA has become an associate of the Company as at 30 September 2001. Details have been explained under Note No. 8 above.

No segmental reporting by activity is prepared as the Group is principally involved in the textiles industry.

15. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

Turnover declined from RM50.414million recorded in the preceding quarter to RM43.935million achieved in the current quarter mainly due to the substantial drop in orders received by the Embroidery and Fabric Knitting Division. This together with the increase in operating expenses and the loss incurred by an associate company has led to a lower pre-tax profit of only RM118k incurred in the quarter under review versus RM2.547million recorded in the preceding quarter. .

16. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

During the financial year ended 31 March 2002, the Group recorded a lower turnover of RM227.455million compared to RM294.976million achieved in the last corresponding period. Pre-tax profit of the Group dropped from RM25.844million achieved during the last corresponding period to RM21.709million recorded for the period under review. Other income from Rental Receipts and Interests amounted to RM1.08million. Interests on borrowings stood at RM2.14million.

17. SUBSEQUENT MATERIAL EVENTS

There were no material events not reflected in the financial statements subsequent to the quarter ended 31 March 2002 up to 18 May 2002 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) other than those mentioned under Note 8 above.

18. EXPLANATORY COMMENTS ABOUT THE SEASONALITY/OR CYCLICALITY OPERATIONS

Not applicable.

19. CURRENT YEAR PROSPECTS

Overall performance of the Group have dropped over the last corresponding period generally due to the adverse global economic condition. Lower orders received from major buyers namely Adidas, Loyaltex and the closure of Warner Brothers' Appparel Division have resulted in a lower pre-tax margin for the Apparel Division. The Embroidery Division recorded only a minor decline in net profit margin due to increase in sub-commission embroidery charges to third parties. The higher manufacturing overheads and production wastages have a negative impact on the profit margin of the Labelling Division. On the other hand, the Fabric Knitting Division had shown improved performance as a result of the higher gross margin. The better pre-tax margin achieved by the Marketing and Distribution Division over the previous corresponding period was mainly attributed to the aggressive penetration into new corporate clients and retail outlets, thereby increasing its customer base. Barring any unforeseen circumstances, the Group anticipates that the results for the current financial year would match those of the previous year.

20. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

Profit Forecast : Not Applicable
Profit Guarantee : Not Applicable

21. DIVIDEND

The Board of Directors had recommended a first and final tax-exempt dividend of 5 sen per share in respect of the financial year ended 31 March 2002 subject to the shareholders' approval at the forthcoming Annual General Meeting. The closure of books to determine shareholders' entitlement of the final dividend will be announced at a later date.

22. PROGRESS OF 2BESOURCE COM PTE LTD ("2BE")

As regards to the progress of 2BE, development of the portal and electronic platform has been completed. Live launch of the portal was done in December 2001. The portal is now undergoing trial run. Testing is being done at regional offices to upload orders offline and ensure that all features are functioning before inviting buyers to participate in the portal.