



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
<b>Continuing Operations</b>				
Revenue	137,088	116,073	251,322	218,345
Cost of sales	(119,551)	(98,138)	(215,512)	(182,556)
<b>Gross Profit</b>	<b>17,537</b>	<b>17,935</b>	<b>35,810</b>	<b>35,789</b>
Other Income	1,319	1,131	1,671	1,668
Interest Income	36	78	105	171
Administrative expenses	(12,037)	(7,312)	(24,021)	(18,787)
Selling and marketing expenses	(3,530)	(3,411)	(7,656)	(6,738)
Finance costs	(2,133)	(1,235)	(3,856)	(2,270)
<b>Profit before tax</b>	<b>1,192</b>	<b>7,186</b>	<b>2,053</b>	<b>9,833</b>
Income tax expense	(286)	(939)	(633)	(1,490)
<b>Profit for the period</b>	<b>906</b>	<b>6,247</b>	<b>1,420</b>	<b>8,343</b>
Attributable to:				
Equity holders of the parent	870	6,241	1,305	8,216
Minority interest	36	6	115	127
	<b>906</b>	<b>6,247</b>	<b>1,420</b>	<b>8,343</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit from continuing operations	1.45	10.40	2.17	13.69
Basic, for profit for the period	1.45	10.40	2.17	13.69
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 2007 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 BALANCE SHEET (UNAUDITED) AS AT 30 SEPTEMBER 2007

	30.09.2007 RM'000 (Unaudited)	31.03.2007 RM'000 (Audited) (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	153,152	136,646
Investment Properties	1,153	1,600
Prepaid lease payments	5,168	5,134
Other investment	100	100
Goodwill	19	19
	<u>159,592</u>	<u>143,499</u>
<b>Current assets</b>		
Inventories	68,562	47,736
Trade receivables	64,247	48,116
Other receivables	20,430	19,070
Tax Recoverable	420	257
Cash and bank balances	26,602	22,152
	<u>180,261</u>	<u>137,331</u>
<b>TOTAL ASSETS</b>	<u>339,853</u>	<u>280,830</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	(567)	(1,064)
Retained earnings	77,619	76,262
	<u>137,068</u>	<u>135,214</u>
<b>Minority interest</b>	<u>271</u>	<u>659</u>
<b>Total Equity</b>	<u>137,339</u>	<u>135,873</u>
<b>Non-Current liabilities</b>		
Borrowings	20,738	23,941
Deferred tax liabilities	4,101	4,031
	<u>24,839</u>	<u>27,972</u>
<b>Current liabilities</b>		
Borrowings	127,797	74,067
Trade payables	37,395	31,161
Other payables	12,466	11,740
Dividends payable	17	17
	<u>177,675</u>	<u>116,985</u>
<b>Total liabilities</b>	<u>202,514</u>	<u>144,957</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>339,853</u>	<u>280,830</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>		
	2.2840	2.2531

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 30 SEPTEMBER 2007

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 2006	60,012	4	(561)	896	64,158	124,509	956	125,465
Effects of adopting FRS 3	-	-	-	-	9,940	9,940	-	9,940
Purchase shares from minority interest	-	-	-	-	-	-	(60)	(60)
Profit for the period	-	-	-	-	8,216	8,216	127	8,343
Foreign currency translation	-	-	91	-	-	91	-	91
Total recognised income and expense for the period	-	-	91	-	18,156	18,247	67	18,314
Dividends	-	-	-	-	(3,001)	(3,001)	-	(3,001)
<b>As at 31 September 2006</b>	<b>60,012</b>	<b>4</b>	<b>(470)</b>	<b>896</b>	<b>79,313</b>	<b>139,755</b>	<b>1,023</b>	<b>140,778</b>
As at 1 April 2007	60,012	4	(2,335)	1,271	76,262	135,214	659	135,873
Profit for the period	-	-	-	-	1,305	1,305	115	1,420
Purchase shares from minority interest	-	-	-	-	52	52	(503)	(451)
Foreign currency translation	-	-	497	-	-	497	-	497
Total recognised income and expense for the period	-	-	497	-	1,357	1,854	(388)	1,466
<b>As at 31 September 2007</b>	<b>60,012</b>	<b>4</b>	<b>(1,838)</b>	<b>1,271</b>	<b>77,619</b>	<b>137,068</b>	<b>271</b>	<b>137,339</b>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Unaudited) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007

	6 months ended	
	30.09.2007	30.09.2006
	RM'000	RM'000
Net cash generated from/(used in) operating activities	(21,837)	23,886
Net cash (used in) investing activities	(20,242)	(9,558)
Net cash generated from/(used in) financing activities	48,639	(20,915)
Net increase/(decrease) in cash and cash equivalents	6,560	(6,587)
Effects of exchange rate changes	497	91
Cash and cash equivalents at beginning of financial period	17,635	32,195
Cash and cash equivalents at end of financial period	24,692	25,699

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

	As at	As at
	30.09.2007	30.09.2006
	RM'000	RM'000
Cash and bank balances	26,602	25,720
Bank overdrafts (included within short term borrowings)	(1,888)	-
Deposits pledged to banks	(22)	(21)
	24,692	25,699

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.



# PCCS Group Berhad

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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 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 2007. 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 2007.

### 2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year 31 March 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 April 2007.

FRS 117 Leases  
FRS 124 Related Party Disclosures

The adoption of FRS 124 does not have significant financial impact on the Group for the current quarter under review. The principal effects of the changes in accounting policies resulting from the adoption of the FRS 117 are discussed below:

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to classification of leases of land and buildings.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortized amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transition provisions.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and comparatives have been restated as follows :

	Previously Stated RM'000	Effects of FRS 117 RM'000	Restated RM'000
At 1 April 2007			
Property, plant and equipment	141,780	(5,134)	136,646
Prepaid lease payments	-	5,134	5,134

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

The auditors' report on the financial statements for the year ended 31 March 2007 was not qualified.



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## 4. SEGMENTAL INFORMATION

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	177,733	164,406	337,772	311,154
Non-apparels	25,711	25,340	50,122	44,650
Total revenue before eliminations	203,444	189,746	387,894	355,804
Eliminations	(66,356)	(73,673)	(136,572)	(137,459)
Total	137,088	116,073	251,322	218,345

## Segment Result

Result from continuing operations:				
Apparels	217	5,350	(68)	6,650
Non-apparels	997	2,379	1,657	3,696
	1,214	7,729	1,589	10,346
Eliminations	(22)	(543)	464	(513)
Total	1,192	7,186	2,053	9,833

## 5. 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 financial period ended 31 March 2007 except as disclosed in Note 2.

## 6. 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.

## 7. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not affected by any major seasonal or cyclical factors.

## 8. DIVIDENDS PAID

There were no dividends paid for the current quarter.

## 9. 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 2007.

## 10. 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.



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## 11. CHANGES IN COMPOSITION OF THE GROUP

7 August 2007, Jusca Garments Development Sdn Bhd ("JUSCA"), a wholly-owned subsidiary of PCCS, had entered into a share purchase agreement with Mr. Tiv Vuthy to acquire an additional 20,000 ordinary shares of RM1.00 each, representing 10% equity interests in Beauty Silk Screen (M) Sdn Bhd ("BSSM") for a total cash consideration of RM434,700/-. With the acquisition of shares, BSSM becomes a 95% owned subsidiary of JUSCA.

## 12. CAPITAL COMMITMENTS

There were no capital commitments to the end of the current quarter under review and at the date of this announcement.

## 13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2007, except for corporate guarantee amounting RM150 million given to licensed banks in respect of bank facilities granted to subsidiaries during the six months financial period ended 30 September 2007.

## 14. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the period that have not been reflected in this quarterly report.

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

### 15. PERFORMANCE REVIEW

During the period ended 30 September 2007, the Group recorded a higher turnover of RM251.3 million compared to RM218.3 million achieved in the previous corresponding period. The pre-tax profit of the Group decreased from RM8.3 million achieved in the last financial period ended 30 September 2006 to RM1.4 million recorded for the period under review. The higher throughput was contributed significantly by the Group's operation in China. Despite this, pre-tax profit fell attributed by additional costs incurred in expanding the Group's manufacturing scale in overseas locations.

### 16. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

Total turnover increased from RM114.2 million recorded in the preceding quarter to RM137.1 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM1.2 million compared to RM861 thousand record for the preceding quarter.

### 17. COMMENTARY ON PROSPECTS

The Group will continue to draw up 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.



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## 18. PROFIT FORECAST OR PROFIT GUARANTEE

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

## 19. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
Current tax:				
Malaysian income tax	97	795	444	1,292
Foreign tax	189	144	189	198
Total income tax expense	<u>286</u>	<u>939</u>	<u>633</u>	<u>1,490</u>

The tax provided in the current period is mainly in respect of certain subsidiaries reporting taxable profits.

## 20) 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.

## 21) QUOTED SECURITIES

There were no purchases and disposals of quoted securities during the quarter under review and financial year-to-date.

## 22) 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.

## 23) GROUP BORROWINGS

	As at 30 Sept 07 RM'000	As at 31 Mar 07 RM'000
<b>Short term borrowings</b>		
Unsecured		
- Bank overdrafts	1,888	4,500
- Export credit refinancing	-	5,369
- Bankers' acceptance	38,622	15,513
- Onshore foreign currency loan/Trust receipts	36,678	20,026
- Term loans	6,973	6,849
- Revolving credit	39,069	17,662
Secured		
- Hire purchase and lease payables	4,567	4,148
	<u>127,797</u>	<u>74,067</u>





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## Long term borrowings

- Hire purchase and lease payables (secured)	5,281	5,012
- Term loans (unsecured)	15,457	18,929
- Term loans (secured)		
	<u>20,738</u>	<u>23,941</u>
<b>Total</b>	<u><b>148,535</b></u>	<u><b>98,008</b></u>

## Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	17,799	62,297
- Hong Kong Dollars ("HKD")	5,302	2,386
- Chinese, Yuan Renminbi ("RMB")	61,161	28,134
		<u>92,817</u>

## 24) OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not enter into any off balance sheet financial instruments as at the date of this announcement.

## 25) CHANGES IN MATERIAL LITIGATION

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

## 26) DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 September 2007 (30 September 2006 : Nil).

## 27) 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 30 September 2007.

## 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 30 November 2007.

By Order of the Board

**CHUA SIEW CHUAN(MAICSA 0777689)**  
Company Secretary  
30 November 2007