



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE YEAR ENDED 31 MARCH 2008

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	114,439	88,951	484,405	417,052
Cost of sales	(101,421)	(77,467)	(416,930)	(348,934)
Gross Profit	13,018	11,484	67,475	68,118
Other Income	3,163	4,322	6,335	6,011
Interest Income	49	25	154	229
Administrative expenses	(14,280)	(15,342)	(51,272)	(43,912)
Selling and marketing expenses	(3,072)	(5,566)	(14,042)	(17,723)
Finance costs	(2,264)	(1,506)	(8,444)	(5,268)
Profit/(Loss) before tax	(3,386)	(6,583)	206	7,455
Income tax expense	47	375	(975)	(763)
Profit/(Loss) for the period	(3,339)	(6,208)	(769)	6,692
Attributable to:				
Equity holders of the parent	(3,353)	(6,796)	(903)	5,873
Minority interest	14	588	134	819
	(3,339)	(6,208)	(769)	6,692
Earnings per share attributable to equity holders of the parent:				
Basic, for profit from continuing operations	(5.59)	(11.32)	(1.50)	9.79
Basic, for profit for the period	(5.59)	(11.32)	(1.50)	9.79
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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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT 31 MARCH 2008

	31.03.2008 RM'000 (Unaudited)	31.03.2007 RM'000 (Audited) (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	150,389	136,646
Investment Properties	3,680	1,600
Prepaid lease payments	5,058	5,134
Other investment	111	100
Goodwill	19	19
	<u>159,257</u>	<u>143,499</u>
Current assets		
Inventories	80,149	47,736
Trade receivables	78,168	48,116
Other receivables	23,929	19,070
Tax Recoverable	1,314	257
Cash and bank balances	19,589	22,152
	<u>203,149</u>	<u>137,331</u>
TOTAL ASSETS	<u>362,406</u>	<u>280,830</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	(4,745)	(1,064)
Retained earnings	73,054	76,262
	<u>128,325</u>	<u>135,214</u>
Minority interest	<u>291</u>	<u>659</u>
Total Equity	<u>128,616</u>	<u>135,873</u>
Non-Current liabilities		
Borrowings	21,800	23,941
Deferred tax liabilities	4,032	4,031
	<u>25,832</u>	<u>27,972</u>
Current liabilities		
Borrowings	150,748	74,067
Trade payables	40,637	31,161
Other payables	16,544	11,740
Dividends payable	29	17
	<u>207,958</u>	<u>116,985</u>
Total liabilities	<u>233,790</u>	<u>144,957</u>
TOTAL EQUITY AND LIABILITIES	<u>362,406</u>	<u>280,830</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.1383	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.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 31 MARCH 2008

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	-	-	-	-	9,607	9,607	-	9,607
Purchase shares from minority interest	-	-	-	-	-	-	(1,116)	(1,116)
Profit for the period	-	-	-	-	5,873	5,873	819	6,692
Foreign currency translation	-	-	(1,774)	-	-	(1,774)	-	(1,774)
Transfer to legal reserve	-	-	-	375	(375)	-	-	-
Total recognised income and expense for the period	-	-	(1,774)	375	15,105	13,706	(297)	13,409
Dividends	-	-	-	-	(3,001)	(3,001)	-	(3,001)
As at 31 March 2007	60,012	4	(2,335)	1,271	76,262	135,214	659	135,873
As at 1 April 2007	60,012	4	(2,335)	1,271	76,262	135,214	659	135,873
Loss for the period	-	-	-	-	(903)	(903)	134	(769)
Purchase shares from minority interest	-	-	-	-	(49)	(49)	(502)	(551)
Foreign currency translation	-	-	(3,936)	-	-	(3,936)	-	(3,936)
Transfer to legal reserve	-	-	-	255	(255)	-	-	-
Total recognised income and expense for the period	-	-	(3,936)	255	(1,207)	(4,888)	(368)	(5,256)
Dividends	-	-	-	-	(2,001)	(2,001)	-	(2,001)
As at 31 March 2008	60,012	4	(6,271)	1,526	73,054	128,325	291	128,616

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 31 MARCH 2008

	12 months ended	
	31.03.2008	31.03.2007
	RM'000	RM'000
Net cash generated from/(used in) operating activities	(41,033)	10,870
Net cash (used in) investing activities	(34,294)	(19,327)
Net cash generated from/(used in) financing activities	80,170	(5,450)
Net increase/(decrease) in cash and cash equivalents	<u>4,843</u>	<u>(13,907)</u>
Effects of exchange rate changes	(4,989)	(653)
Cash and cash equivalents at beginning of financial period	17,635	32,195
Cash and cash equivalents at end of financial period	<u><u>17,489</u></u>	<u><u>17,635</u></u>

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

	As at	As at
	31.03.2008	31.03.2007
	RM'000	RM'000
Cash and bank balances	19,589	22,152
Bank overdrafts (included within short term borrowings)	(2,078)	(4,500)
Deposits pledged to banks	(22)	(17)
	<u><u>17,489</u></u>	<u><u>17,635</u></u>

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		12 months ended	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	151,412	112,923	646,041	579,109
Non-apparels	26,605	25,396	103,127	95,973
Total revenue before eliminations	178,017	138,319	749,168	675,082
Eliminations	(63,578)	(49,368)	(264,763)	(258,030)
Total	114,439	88,951	484,405	417,052
Segment Result				
Result from continuing operations:				
Apparels	(2,001)	(8,609)	(2,393)	1,195
Non-apparels	(409)	4,575	2,158	9,876
Eliminations	(976)	(2,549)	441	(3,616)
Total	(3,386)	(6,583)	206	7,455

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 2008 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 2008.



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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.

11. CHANGES IN COMPOSITION OF THE GROUP

On 3 March 2008, PCCS Group Berhad had invested USD1,000,000/- in JIT Textiles Limited, which was incorporated in Cambodia, representing 100% of the registered capital of JIT Textiles Limited.

12. 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 2008 is as follows :

Approved and contracted for RM8.40 million.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM178 million given to licensed banks in respect of bank facilities granted to subsidiaries during the twelve months financial period ended 31 March 2008.

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 31 March 2008, the Group recorded a higher turnover of RM484.4 million compared to RM417 million achieved in the previous corresponding period. The pre-tax profit of the Group decreased from RM7.4 million achieved in the last financial period ended 31 March 2007 to a pre-tax profit RM206 thousand recorded for the period under review. The higher turnover 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 RM96.1 million recorded in the preceding quarter to RM114.4 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM3.6 million compared to RM4.9 million recorded for the preceding quarter.



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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 next financial year.

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 12 months ended	
	31.03.2008 RM'000	31.03.2007 RM'000	31.03.2008 RM'000	31.03.2007 RM'000
Malaysian income tax	(365)	106	425	925
Foreign tax	218	(481)	450	(162)
Total income tax expense	<u>(147)</u>	<u>(375)</u>	<u>875</u>	<u>763</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.



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23. GROUP BORROWINGS

	As at 31 Mar 08 RM'000	As at 31 Mar 07 RM'000
Short term borrowings		
Unsecured		
- Bank overdrafts	2,078	4,500
- Export credit refinancing	0	5,369
- Bankers' acceptance	47,863	15,513
- Onshore foreign currency loan/Trust receipts	38,234	20,026
- Term loans	6,656	6,849
- Revolving credit	50,749	17,662
Secured		
- Hire purchase and lease payables	5,168	4,148
	<u>150,748</u>	<u>74,067</u>
Long term borrowings		
- Hire purchase and lease payables (secured)	5,137	5,012
- Term loans (unsecured)	11,263	18,929
- Term loans (secured)	5,400	0
	<u>21,800</u>	<u>23,941</u>
Total	<u>172,548</u>	<u>98,008</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	22,940	73,407
- Hong Kong Dollars ("HKD")	4,722	1,936
- Chinese, Yuan Renminbi ("RMB")	72,416	32,587
		<u>107,930</u>

24. 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

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

25. CHANGES IN MATERIAL LITIGATION

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



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26. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 March 2008 (31 March 2007 : Nil).

27. EARNINGS PER SHARE

a Basic

The calculation of basic earnings per share is based on the net loss 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 March 2008.

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 May 2008.

By Order of the Board

CHUA SIEW CHUAN(MAICSA 0777689)
Company Secretary
30 May 2008