



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED 30 JUNE 2008

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
<b>Continuing Operations</b>				
Revenue	157,698	114,234	157,698	114,234
Cost of sales	(138,539)	(95,961)	(138,539)	(95,961)
<b>Gross Profit</b>	<b>19,159</b>	<b>18,273</b>	<b>19,159</b>	<b>18,273</b>
Other Income	824	352	824	352
Interest Income	115	69	115	69
Administrative expenses	(11,960)	(11,984)	(11,960)	(11,984)
Selling and marketing expenses	(4,466)	(4,126)	(4,466)	(4,126)
Finance costs	(2,580)	(1,723)	(2,580)	(1,723)
<b>Profit/(Loss) before tax</b>	<b>1,092</b>	<b>861</b>	<b>1,092</b>	<b>861</b>
Income tax expense	(334)	(347)	(334)	(347)
<b>Profit/(Loss) for the period</b>	<b>758</b>	<b>514</b>	<b>758</b>	<b>514</b>
Attributable to:				
Equity holders of the parent	751	435	751	435
Minority interest	7	79	7	79
	<b>758</b>	<b>514</b>	<b>758</b>	<b>514</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit from continuing operations	1.25	0.72	1.25	0.72
Basic, for profit for the period	1.25	0.72	1.25	0.72
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.



# PCCS Group Berhad

Company No. 280929-K  
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## CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT 30 JUNE 2008

	30.06.2008 RM'000 (Unaudited)	31.03.2008 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	151,263	147,785
Investment Properties	4,995	4,962
Prepaid lease payments	4,973	4,492
Other investment	84	84
Goodwill	19	19
	<u>161,334</u>	<u>157,342</u>
<b>Current assets</b>		
Inventories	94,986	79,887
Trade receivables	110,042	79,182
Other receivables	27,166	19,274
Tax Recoverable	1,102	792
Cash and bank balances	18,521	19,588
	<u>251,817</u>	<u>198,723</u>
Non-current asset classified as held for sale	1,610	2,400
	<u>253,427</u>	<u>201,123</u>
<b>TOTAL ASSETS</b>	<u>414,761</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	(2,159)	(4,713)
Retained earnings	73,801	73,050
	<u>131,658</u>	<u>128,353</u>
<b>Minority interest</b>	<u>277</u>	<u>270</u>
<b>Total Equity</b>	<u>131,935</u>	<u>128,623</u>
<b>Non-Current liabilities</b>		
Borrowings	26,639	30,707
Deferred tax liabilities	3,856	3,750
	<u>30,495</u>	<u>34,457</u>
<b>Current liabilities</b>		
Borrowings	180,734	141,981
Trade payables	52,232	30,126
Other payables	19,337	23,249
Dividends payable	28	29
	<u>252,331</u>	<u>195,385</u>
<b>Total liabilities</b>	<u>282,826</u>	<u>229,842</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>414,761</u>	<u>358,465</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.1939	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.



# PCCS Group Berhad

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 30 JUNE 2008

Note	<----- Attributable to Equity Holders of the parent----->						Minority Interest RM'000	Total Equity RM'000
	<----- 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		
As at 1 April 2007	60,012	4	(2,335)	1,271	76,262	135,214	659	135,873
Profit for the period	-	-	-	-	435	435	79	514
Foreign currency translation	-	-	(2,606)	-	-	(2,606)	-	(2,606)
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	(2,606)	-	435	(2,171)	79	(2,092)
<b>As at 30 June 2007</b>	<b>60,012</b>	<b>4</b>	<b>(4,941)</b>	<b>1,271</b>	<b>76,697</b>	<b>133,043</b>	<b>738</b>	<b>133,781</b>
As at 1 April 2008	60,012	4	(6,249)	1,563	73,050	128,380	270	128,650
Profit for the period	-	-	-	-	751	751	7	758
Foreign currency translation	-	-	2,527	-	-	2,527	-	2,527
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	2,527	-	751	3,278	7	3,285
<b>As at 30 June 2008</b>	<b>60,012</b>	<b>4</b>	<b>(3,722)</b>	<b>1,563</b>	<b>73,801</b>	<b>131,658</b>	<b>277</b>	<b>131,935</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 2008 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 THREE MONTHS PERIOD ENDED 30 JUNE 2008

	3 months ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
Net cash (used in) operating activities	(30,134)	(27,454)
Net cash (used in) investing activities	(5,077)	(9,185)
Net cash generated from financing activities	31,154	31,653
Net increase/(decrease) in cash and cash equivalents	<u>(4,057)</u>	<u>(4,986)</u>
Effects of exchange rate changes	(541)	(2,606)
Cash and cash equivalents at beginning of financial period	14,872	17,635
Cash and cash equivalents at end of financial period	<u>10,274</u>	<u>10,043</u>

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

	As at	As at
	30.06.2008	30.06.2007
	RM'000	RM'000
Cash and bank balances	18,521	17,334
Bank overdrafts (included within short term borrowings)	(8,242)	(7,269)
Deposits pledged to banks	(5)	(22)
	<u>10,274</u>	<u>10,043</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

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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 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 3 months ended	
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	204,670	160,039	204,670	160,039
Non-apparels	29,652	24,411	29,652	24,411
Total revenue before eliminations	234,322	184,450	234,322	184,450
Eliminations	(76,624)	(70,216)	(76,624)	(70,216)
Total	157,698	114,234	157,698	114,234
<b>Segment Result</b>				
Result from continuing operations:				
Apparels	(923)	(285)	(923)	(285)
Non-apparels	1,589	660	1,589	660
	666	375	666	375
Eliminations	426	486	426	486
Total	1,092	861	1,092	861

### 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.



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## 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

There is no changes in the composition of the Group during the current quarter.

## 11. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 30 June 2008 is as follows :

Approved and contracted for RM7.6 million.

## 12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM216 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 2008.

## 13. SUBSEQUENT EVENTS

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



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

### 14. PERFORMANCE REVIEW

During the period ended 30 June 2008, the Group recorded a higher turnover of RM157.7 million compared to RM114.2 million achieved in the previous corresponding period. The pre-tax profit of the Group increased from RM0.9 million achieved in the last financial period ended 30 June 2007 to a pre-tax profit RM1.1 million recorded for the period under review.

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

Total turnover increased from RM114.4 million recorded in the preceding quarter to RM157.7 million achieved in the current quarter. Orders from apparels division had increased by RM40 million and this was contributed significantly by the Group's operation in China. The pre-tax profit of the Group recorded at RM1.1 million compared to a pre-tax loss RM3.3 million recorded for the preceding quarter. The Group had implemented cost cutting exercise to create a lower cost structure.

### 16. 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.

### 17. PROFIT FORECAST OR PROFIT GUARANTEE

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

### 18. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2008 RM'000	30.06.2007 RM'000	30.06.2008 RM'000	30.06.2007 RM'000
Malaysian income tax	271	347	271	347
Foreign income tax	63	-	63	-
Total income tax expense	<u>334</u>	<u>347</u>	<u>334</u>	<u>347</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

There were no sales of unquoted investment and properties of the Group during quarter under review and financial year to-date.



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## 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 30 Jun 08 RM'000	As at 31 Mar 08 RM'000
<b>Short term borrowings</b>		
- Bank overdrafts	8,242	4,699
- Bankers' acceptance	68,662	47,863
- Trade loan/Trust receipts/Export bill financing	43,152	38,366
- Term loans	23,529	30,268
- Revolving credit	32,724	15,963
- Hire purchase and lease payables	4,425	4,822
	<u>180,734</u>	<u>141,981</u>
<b>Long term borrowings</b>		
- Hire purchase and lease payables	5,497	5,531
- Term loans	21,142	25,176
	<u>26,639</u>	<u>30,707</u>
<b>Total</b>	<u><u>207,373</u></u>	<u><u>172,688</u></u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	21,014	68,085
- Hong Kong Dollars ("HKD")	18,431	7,741
- Chinese, Yuan Renminbi ("RMB")	96,483	45,347
		<u>121,173</u>





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## 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

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

## 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 30 June 2008 (30 June 2007 : 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 30 June 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 26 August 2008.

By Order of the Board

**CHUA SIEW CHUAN(MAICSA 0777689)**  
Company Secretary  
26 August 2008