



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED 30 JUNE 2009

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	30.06.2009 RM'000	30.06.2008 RM'000	30.06.2009 RM'000	30.06.2008 RM'000
Continuing Operations				
Revenue	167,530	157,698	167,530	157,698
Cost of sales	(140,678)	(138,539)	(140,678)	(138,539)
Gross Profit	26,852	19,159	26,852	19,159
Other Income	4,527	824	4,527	824
Interest Income	11	115	11	115
Administrative expenses	(14,825)	(11,960)	(14,825)	(11,960)
Selling and marketing expenses	(6,059)	(4,466)	(6,059)	(4,466)
Finance costs	(2,431)	(2,580)	(2,431)	(2,580)
Profit before tax	8,075	1,092	8,075	1,092
Income tax expense	(1,474)	(334)	(1,474)	(334)
Profit for the period	6,601	758	6,601	758
Attributable to:				
Equity holders of the parent	6,603	751	6,603	751
Minority interest	(2)	7	(2)	7
	6,601	758	6,601	758
Earnings per share attributable to equity holders of the parent:				
Basic, for profit from continuing operations	11.00	1.25	11.00	1.25
Basic, for profit for the period	11.00	1.25	11.00	1.25
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.



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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT 30 JUNE 2009

	30.06.2009 RM'000 (Unaudited)	31.03.2009 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	154,792	164,902
Investment Properties	1,256	1,540
Prepaid lease payments	4,768	5,143
Other investment	54	54
Goodwill	19	19
	<u>160,889</u>	<u>171,658</u>
Current assets		
Inventories	66,892	79,549
Trade receivables	139,256	100,006
Other receivables	18,833	21,074
Tax Recoverable	902	451
Cash and bank balances	27,121	21,198
	<u>253,004</u>	<u>222,278</u>
Non-current asset classified as held for sale	<u>842</u>	<u>2,294</u>
	<u>253,846</u>	<u>224,572</u>
TOTAL ASSETS	<u>414,735</u>	<u>396,230</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,012	60,012
Share premium	4	4
Other reserves	4,663	7,999
Retained earnings	62,653	56,050
	<u>127,332</u>	<u>124,065</u>
Minority interest	<u>318</u>	<u>320</u>
Total Equity	<u>127,650</u>	<u>124,385</u>
Non-Current liabilities		
Borrowings	14,627	15,170
Deferred tax liabilities	1,979	1,954
	<u>16,606</u>	<u>17,124</u>
Current liabilities		
Borrowings	193,634	181,452
Trade payables	34,955	35,686
Other payables	41,862	37,555
Dividends payable	28	28
	<u>270,479</u>	<u>254,721</u>
Total liabilities	<u>287,085</u>	<u>271,845</u>
TOTAL EQUITY AND LIABILITIES	<u>414,735</u>	<u>396,230</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.1218	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 30 JUNE 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	-	-	-	-	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
As at 30 June 2008	<u>60,012</u>	<u>4</u>	<u>(3,722)</u>	<u>1,563</u>	<u>73,801</u>	<u>131,658</u>	<u>277</u>	<u>131,935</u>
As at 1 April 2009	60,012	4	6,463	1,536	56,050	124,065	320	124,385
Profit for the period	-	-	-	-	6,603	6,603	(2)	6,601
Foreign currency translation	-	-	(3,336)	-	-	(3,336)	-	(3,336)
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	(3,336)	-	6,603	3,267	(2)	3,265
As at 30 June 2009	<u>60,012</u>	<u>4</u>	<u>3,127</u>	<u>1,536</u>	<u>62,653</u>	<u>127,332</u>	<u>318</u>	<u>127,650</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 THREE MONTHS PERIOD ENDED 30 JUNE 2009

	3 months ended	
	30.06.2009	30.06.2008
	RM'000	RM'000
Net cash (used in) operating activities	(12,609)	(30,134)
Net cash (used in) investing activities	4,537	(5,077)
Net cash generated from financing activities	14,837	31,154
Net increase/(decrease) in cash and cash equivalents	<u>6,765</u>	<u>(4,057)</u>
Effects of exchange rate changes	2,356	(541)
Cash and cash equivalents at beginning of financial period	15,438	14,872
Cash and cash equivalents at end of financial period	<u>24,559</u>	<u>10,274</u>

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

	As at	As at
	30.06.2009	30.06.2008
	RM'000	RM'000
Cash and bank balances	27,121	18,521
Bank overdrafts (included within short term borrowings)	(2,557)	(8,242)
Deposits pledged to banks	(5)	(5)
	<u>24,559</u>	<u>10,274</u>

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.



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Company No. 280929-K
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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 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		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	237,198	204,670	237,198	204,670
Non-apparels	27,381	29,652	27,381	29,652
Total revenue before eliminations	264,579	234,322	264,579	234,322
Eliminations	(97,049)	(76,624)	(97,049)	(76,624)
Total	167,530	157,698	167,530	157,698
Segment Result				
Result from continuing operations:				
Apparels	6,173	(923)	6,173	(923)
Non-apparels	2,429	1,589	2,429	1,589
	8,602	666	8,602	666
Eliminations	(527)	426	(527)	426
Total	8,075	1,092	8,075	1,092

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

On 4 May 2009, PCCS had undertaken an internal reorganization involving three of its subsidiary companies i.e. Blopak China Private Ltd, China Roots Packaging Pte Ltd and Mega Labels (Selangor) Sdn. Bhd.

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 2009 is as follows :

Approved and contracted for RM2.7 million.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM222 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 June 2009.

13. SUBSEQUENT EVENTS

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



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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 2009, the Group recorded a higher turnover of RM167.5 million compared to RM157.7 million achieved in the previous corresponding period. The pre-tax profit of the Group increased from RM1.1 million achieved in the corresponding financial period ended 30 June 2008 to a pre-tax profit of RM8.1 million recorded for the period under review. There is a gain on disposal of land and buildings amounting to approximately RM3.1 million to the Group during the current quarter.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover increased from RM121.2 million recorded in the preceding quarter to RM167.5 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM8.1 million compared to a pre-tax loss RM2.0 million recorded for the preceding quarter. The higher turnover is due to the orders from existing buyers of Apparels Division had increased. The Group had implemented cost cutting exercise to create a lower cost structure.

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.

18. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30.06.2009 RM'000	30.06.2008 RM'000	30.06.2009 RM'000	30.06.2008 RM'000
Malaysian income tax	591	271	591	271
Foreign income tax	883	63	883	63
Total income tax expense	<u>1,474</u>	<u>334</u>	<u>1,474</u>	<u>334</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:



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Company No. 280929-K
(Incorporated in Malaysia)

- (i) On 1 April 2009, Beauty Electronic Embroidering Centre Sdn. Bhd., a wholly-owned subsidiary of PCCS had entered into a sale and purchase agreement for the disposal of all that piece of industrial leasehold land together with two (2) units of 1 ½-storey industrial buildings erected thereon, held under H.S(D) 17719, PTD 5977 Mukim Sri Gading, District of Batu Pahat, Johor and bearing postal address PLO 5, Kawasan Perindustrian Parit Raja, Parit Raja, 86400 Batu Pahat, Johor Darul Takzim, measuring approximately 0.4047 hectares to Harta Fleksipak Sdn. Bhd., at a sale price of RM1,800,000/=.
- (ii) On 1 April 2009, Perusahaan Chan Choo Sing Sdn. Bhd., a wholly-owned subsidiary of PCCS had entered into a sale and purchase agreement for the disposal of all that piece of industrial leasehold land together with three (3) single storey industrial buildings erected thereon, held under H.S(D) 47791, PTD 12962 Mukim Sri Gading, District of Batu Pahat, Johor and bearing postal address PLO 7, Kawasan Perindustrian Parit Raja, Parit Raja, 86400 Batu Pahat, Johor Darul Takzim measuring approximately 8741.9864 square meters to Harta Packaging Industries Sdn. Bhd., at a sale price of RM3,000,000/=.

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 09 RM'000	As at 31 Mar 09 RM'000
Short term borrowings		
- Bank overdrafts	2,557	8,242
- Bankers' acceptance	44,146	68,662
- Trade loan/Trust receipts/Export bill financing	86,261	43,152
- Term loans	25,223	23,529
- Revolving credit	31,425	32,724
- Hire purchase and lease payables	4,022	4,425
	<u>193,634</u>	<u>180,734</u>



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

	As at 30 Jun 09 RM'000	As at 31 Mar 09 RM'000
Long term borrowings		
- Hire purchase and lease payables	3,650	5,497
- Term loans	10,977	21,142
	<u>14,627</u>	<u>26,639</u>
Total	<u>208,261</u>	<u>207,373</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	21,676	75,866
- Hong Kong Dollars ("HKD")	75,900	34,155
- Chinese, Yuan Renminbi ("RMB")	78,668	<u>40,121</u>
		<u>150,143</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.

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 30 June 2009 (30 June 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.



PCCS Group Berhad

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(Incorporated in Malaysia)

b Diluted

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 June 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 28 August 2009.

By Order of the Board

CHUA SIEW CHUAN(MAICSA 0777689)
Company Secretary
28 August 2009