



# PCCS Group Berhad

Company No. 280929-K  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED 31 MARCH 2010

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
<b>Continuing Operations</b>				
Revenue	117,459	123,484	511,157	595,186
Cost of sales	(102,522)	(111,298)	(431,578)	(535,141)
<b>Gross Profit</b>	<b>14,937</b>	<b>12,186</b>	<b>79,579</b>	<b>60,045</b>
Other Income	4,832	4,965	10,061	8,456
Interest Income	14	9	179	97
Administrative expenses	(16,330)	(13,076)	(54,103)	(52,930)
Selling and marketing expenses	(3,885)	(6,376)	(19,359)	(22,909)
Finance costs	(1,928)	(2,520)	(8,505)	(11,341)
<b>Profit before tax</b>	<b>(2,360)</b>	<b>(4,812)</b>	<b>7,852</b>	<b>(18,582)</b>
Income tax expense	1,838	2,776	431	1,390
<b>Profit for the period</b>	<b>(522)</b>	<b>(2,036)</b>	<b>8,283</b>	<b>(17,192)</b>
Attributable to:				
Equity holders of the parent	(557)	(2,045)	8,267	(17,242)
Minority interest	35	9	16	50
	<b>(522)</b>	<b>(2,036)</b>	<b>8,283</b>	<b>(17,192)</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit from continuing operations	(0.93)	(3.41)	13.78	(28.73)
Basic, for profit for the period	<b>(0.93)</b>	<b>(3.41)</b>	<b>13.78</b>	<b>(28.73)</b>
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 31 MARCH 2010

	31.03.2010 RM'000 (Unaudited)	31.03.2009 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	138,938	164,902
Investment Properties	1,242	1,540
Prepaid lease payments	3,938	5,143
Other investment	54	54
Goodwill	19	19
	<u>144,191</u>	<u>171,658</u>
<b>Current assets</b>		
Inventories	63,596	79,549
Trade receivables	70,637	100,006
Other receivables	19,064	21,074
Tax Recoverable	1,276	451
Cash and bank balances	19,405	21,198
	<u>173,978</u>	<u>222,278</u>
Non-current asset classified as held for sale	451	2,294
	<u>174,429</u>	<u>224,572</u>
<b>TOTAL ASSETS</b>	<u>318,620</u>	<u>396,230</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	(912)	7,999
Retained earnings	64,317	56,050
	<u>123,421</u>	<u>124,065</u>
Minority interest	336	320
<b>Total Equity</b>	<u>123,757</u>	<u>124,385</u>
<b>Non-Current liabilities</b>		
Borrowings	13,195	15,170
Deferred tax liabilities	1,345	1,954
	<u>14,540</u>	<u>17,124</u>
<b>Current liabilities</b>		
Borrowings	121,489	181,452
Trade payables	26,424	35,686
Other payables	32,382	37,555
Tax payable	-	-
Dividends payable	28	28
	<u>180,323</u>	<u>254,721</u>
<b>Total liabilities</b>	<u>194,863</u>	<u>271,845</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>318,620</u>	<u>396,230</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0566	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

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 31 MARCH 2010

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)	1,536	73,292	128,595	270	128,865
Profit for the period	-	-	-	-	(17,242)	(17,242)	50	(17,192)
Foreign currency translation	-	-	12,712	-	-	12,712	-	12,712
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the year	-	-	12,712	-	(17,242)	(4,530)	50	(4,480)
<b>As at 31 March 2009</b>	<b>60,012</b>	<b>4</b>	<b>6,463</b>	<b>1,536</b>	<b>56,050</b>	<b>124,065</b>	<b>320</b>	<b>124,385</b>
As at 1 April 2009	60,012	4	6,463	1,536	56,050	124,065	320	124,385
Profit for the period	-	-	-	-	8,267	8,267	16	8,283
Foreign currency translation	-	-	(8,938)	-	-	(8,938)	-	(8,938)
Transfer to legal reserve	-	-	-	27	-	27	-	27
Total recognised income and expense for the year	-	-	(8,938)	27	8,267	(644)	16	(628)
<b>As at 31 March 2010</b>	<b>60,012</b>	<b>4</b>	<b>(2,475)</b>	<b>1,563</b>	<b>64,317</b>	<b>123,421</b>	<b>336</b>	<b>123,757</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 2009 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 2010

	12 months ended	
	31.03.2010	31.03.2009
	RM'000	RM'000
Net cash generated from/(used in) operating activities	61,782	(2,803)
Net cash (used in) investing activities	(2,152)	(17,417)
Net cash (used in)/generated from financing activities	(59,148)	20,101
Net increase/(decrease) in cash and cash equivalents	<u>482</u>	<u>(119)</u>
Effects of exchange rate changes	515	685
Cash and cash equivalents at beginning of financial period	<u>15,438</u>	<u>14,872</u>
Cash and cash equivalents at end of financial period	<u><u>16,435</u></u>	<u><u>15,438</u></u>

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

	As at	As at
	31.03.2010	31.03.2009
	RM'000	RM'000
Cash and bank balances	19,405	21,198
Bank overdrafts (included within short term borrowings)	(2,952)	(5,743)
Deposits pledged to banks	(18)	(17)
	<u><u>16,435</u></u>	<u><u>15,438</u></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.



# 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 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 3 months ended		Cumulative quarter 12 months ended	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Apparels	148,295	162,345	681,977	806,958
Non-apparels	31,376	25,285	114,847	124,388
Total revenue before eliminations	179,671	187,630	796,824	931,346
Eliminations	(62,212)	(64,146)	(285,667)	(336,160)
Total	117,459	123,484	511,157	595,186
<b>Segment Result</b>				
Result from continuing operations:				
Apparels	(1,581)	3,350	1,534	(15,327)
Non-apparels	540	2,844	9,194	7,269
	(1,041)	6,194	10,728	(8,058)
Eliminations	(1,319)	(11,006)	(2,876)	(10,524)
Total	(2,360)	(4,812)	7,852	(18,582)

### 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 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

Shern Yee Garments Sdn. Bhd. (Shern Yee), a wholly-owned subsidiary of PCCS, had on 11 January 2010 entered into a Share Sale Agreement with Mr. Lim Wee Sern for the disposal of 100,000 Ordinary Shares of RM1.00 each in PCCS Mediserve Sdn. Bhd. (formerly known as PCCS Capital Sdn. Bhd.) (PCCS Mediserve), representing 100% of the total issued and paid-up share capital of PCCS Mediserve at a consideration of RM2.00. Consequent upon the above disposal, PCCS Mediserve would cease to be a wholly-owned sub-subidiary of PCCS.

## 11. 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 2010 is as follows :

Approved and contracted for RM273 thousand.

## 12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM140 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 31 March 2010.



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## 13. SUBSEQUENT EVENTS

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:

1. The Company had on 2 April 2010, entered into a share sale agreement with Graham Packaging Company LP ("SSA") for the disposal of 10,000 ordinary shares of HKD1.00 each in Roots Investment Holding Private Limited ("RIH"), representing the entire equity interest in RIH for an indicative disposal consideration of RMB166.0 million (equivalent to approximately RM81.34 million, based on an exchange rate of RM1.00:RMO.49) (subject to adjustments as provided in the terms of the SSA) to be wholly satisfied by cash.
2. The Company had on 26 April 2010 entered into a Shares Transfer Agreement with RIH for the transfer of the entire registered capital of China Roots Packaging Pte Ltd ("CRP") to RIH resulting in CRP becoming a wholly-owned subsidiary of RIH.

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

## 14. PERFORMANCE REVIEW

During the period ended 31 March 2010, the Group recorded a lower turnover of RM511.2 million compared to RM595.2 million achieved in the previous corresponding period due to the buyers' orders from Apparels Division had decreased. The pre-tax profit of the Group improved from loss RM18.6 million achieved in the corresponding financial period ended 31 March 2009 to a pre-tax profit of RM8.2 million recorded for the period under review. The profit is contributed by the continual cost cutting exercise and improvement of productivity.

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

Total turnover increased from RM107.1 million recorded in the preceding quarter to RM117.5 million achieved in the current quarter. The pre-tax loss of the Group recorded at RM2 million compared to a pre-tax profit RM854 thousand recorded for the preceding quarter.

## 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 next financial year.

## 17. PROFIT FORECAST OR PROFIT GUARANTEE

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



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## 18. INCOME TAX EXPENSE

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	(1,016)	1,019	(245)	1,537
Foreign income tax	(823)	(1,015)	(187)	(147)
Total income tax expense	<u>(1,839)</u>	<u>4</u>	<u>(432)</u>	<u>1,390</u>

The tax provided in the current period is mainly in respect of certain subsidiaries reporting taxable profits and provision for deferred tax arising from reversal of temporary differences.

## 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:

Shern Yee Garments Sdn. Bhd. (Shern Yee), a wholly-owned subsidiary of PCCS, had on 11 January 2010 entered into a Share Sale Agreement with Mr. Lim Wee Sern for the disposal of 100,000 Ordinary Shares of RM1.00 each in PCCS Mediserve Sdn. Bhd. (formerly known as PCCS Capital Sdn. Bhd.) (PCCS Mediserve), representing 100% of the total issued and paid-up share capital of PCCS Mediserve at a consideration of RM2.00. Consequent upon the above disposal, PCCS Mediserve would cease to be a wholly-owned sub-subdiary of PCCS.

## 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 other than as disclosed in note 13.

### b) Status of Utilisation of Proceeds

Not applicable.





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## 22. GROUP BORROWINGS

	As at 31 Mar 10 RM'000	As at 31 Mar 09 RM'000
<b>Short term borrowings</b>		
- Bank overdrafts	2,952	5,743
- Bankers' acceptance	29,415	50,067
- Trade loan/Trust receipts/Export bill financing	40,871	54,838
- Term loans	19,541	16,141
- Revolving credit	26,806	49,931
- Hire purchase and lease payables	1,904	4,732
	<u>121,489</u>	<u>181,452</u>

	As at 31 Mar 10 RM'000	As at 31 Mar 09 RM'000
<b>Long term borrowings</b>		
- Hire purchase and lease payables	2,439	4,303
- Term loans	10,756	10,867
	<u>13,195</u>	<u>15,170</u>
<b>Total</b>	<u>134,684</u>	<u>196,622</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	12,339	40,349
- Hong Kong Dollars ("HKD")	41,519	17,438
- Chinese, Yuan Renminbi ("RMB")	64,566	30,991
		<u>90,086</u>

## 23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

## 24. CHANGES IN MATERIAL LITIGATION

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



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## 25. DIVIDEND PAYABLE

No interim dividend has been declared for the financial period ended 31 March 2010 (31 March 2009: 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 31 March 2010.

## 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 31 May 2010.

By Order of the Board

**CHUA SIEW CHUAN(MAICSA 0777689)**  
Company Secretary  
31 May 2010