



PCCS Group Berhad

Company No. 280929-K
(Incorporated in Malaysia)

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

	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Continuing Operations				
Revenue	119,058	130,112	286,588	287,810
Cost of sales	(100,554)	(118,702)	(241,232)	(257,241)
Gross Profit	18,504	11,410	45,356	30,569
Other Income	2,248	2,780	6,775	3,700
Interest Income	10	40	21	59
Administrative expenses	(12,218)	(14,299)	(27,043)	(26,259)
Selling and marketing expenses	(4,909)	(5,958)	(10,968)	(10,424)
Finance costs	(2,351)	(2,958)	(4,782)	(5,538)
Profit before tax	1,284	(8,985)	9,359	(7,893)
Income tax expense	(12)	(738)	(1,486)	(1,072)
Profit for the period	1,272	(9,723)	7,873	(8,965)
Attributable to:				
Equity holders of the parent	1,308	(9,728)	7,911	(8,977)
Minority interest	(36)	5	(38)	12
	1,272	(9,723)	7,873	(8,965)
Earnings per share attributable to equity holders of the parent:				
Basic, for profit from continuing operations	2.18	(16.21)	13.18	(14.96)
Basic, for profit for the period	2.18	(16.21)	13.18	(14.96)
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 SEPTEMBER 2009

	30.09.2009 RM'000 (Unaudited)	31.03.2009 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	157,984	164,902
Investment Properties	1,252	1,540
Prepaid lease payments	4,804	5,143
Other investment	54	54
Goodwill	19	19
	<u>164,113</u>	<u>171,658</u>
Current assets		
Inventories	67,070	79,549
Trade receivables	92,582	100,006
Other receivables	14,117	21,074
Tax Recoverable	-	451
Cash and bank balances	30,895	21,198
	<u>204,664</u>	<u>222,278</u>
Non-current asset classified as held for sale	592	2,294
	<u>205,256</u>	<u>224,572</u>
TOTAL ASSETS	<u>369,369</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	5,951	7,999
Retained earnings	63,961	56,050
	<u>129,928</u>	<u>124,065</u>
Minority interest	<u>282</u>	<u>320</u>
Total Equity	<u>130,210</u>	<u>124,385</u>
Non-Current liabilities		
Borrowings	17,502	15,170
Deferred tax liabilities	1,990	1,954
	<u>19,492</u>	<u>17,124</u>
Current liabilities		
Borrowings	161,370	181,452
Trade payables	25,786	35,686
Other payables	32,451	37,555
Tax payable	32	-
Dividends payable	28	28
	<u>219,667</u>	<u>254,721</u>
Total liabilities	<u>239,159</u>	<u>271,845</u>
TOTAL EQUITY AND LIABILITIES	<u>369,369</u>	<u>396,230</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.1650	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.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED) AS AT 30 SEPTEMBER 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)	1,536	73,050	128,353	270	128,623
Prior year adjustment	-	-	-	-	242	242	-	242
(Loss)/Profit for the period	-	-	-	-	(8,977)	(8,977)	12	(8,965)
Foreign currency translation	-	-	7,094	-	-	7,094	-	7,094
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	7,094	-	(8,735)	(1,641)	12	(1,629)
As at 30 September 2008	<u>60,012</u>	<u>4</u>	<u>845</u>	<u>1,536</u>	<u>64,315</u>	<u>126,712</u>	<u>282</u>	<u>126,994</u>
As at 1 April 2009	60,012	4	6,463	1,536	56,050	124,065	320	124,385
Profit/(Loss) for the period	-	-	-	-	7,911	7,911	(38)	7,873
Foreign currency translation	-	-	(2,048)	-	-	(2,048)	-	(2,048)
Transfer to legal reserve	-	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	(2,048)	-	7,911	5,863	(38)	5,825
As at 30 September 2009	<u>60,012</u>	<u>4</u>	<u>4,415</u>	<u>1,536</u>	<u>63,961</u>	<u>129,928</u>	<u>282</u>	<u>130,210</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.



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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Unaudited) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2009

	6 months ended	
	30.09.2009	30.09.2008
	RM'000	RM'000
Net cash generated from/(used in) operating activities	30,305	(3,181)
Net cash (used in) investing activities	(2,474)	(24,501)
Net cash (used in)/generated from financing activities	(14,559)	27,176
Net increase/(decrease) in cash and cash equivalents	<u>13,272</u>	<u>(506)</u>
Effects of exchange rate changes	(383)	3,040
Cash and cash equivalents at beginning of financial period	15,438	14,872
Cash and cash equivalents at end of financial period	<u>28,327</u>	<u>17,406</u>

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

	As at 30.09.2009 RM'000	As at 30.09.2008 RM'000
Cash and bank balances	30,895	21,988
Bank overdrafts (included within short term borrowings)	(2,563)	(4,577)
Deposits pledged to banks	(5)	(5)
	<u>28,327</u>	<u>17,406</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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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 6 months ended	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Segment Revenue				
Revenue from continuing operations:				
Apparels	158,317	164,404	395,515	369,074
Non-apparels	26,562	35,016	53,943	64,668
Total revenue before eliminations	184,879	199,420	449,458	433,742
Eliminations	(65,821)	(69,308)	(162,870)	(145,932)
Total	119,058	130,112	286,588	287,810
Segment Result				
Result from continuing operations:				
Apparels	(2,622)	(9,601)	3,551	(10,524)
Non-apparels	3,230	114	5,659	1,703
	608	(9,487)	9,210	(8,821)
Eliminations	676	502	149	928
Total	1,284	(8,985)	9,359	(7,893)

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

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 September 2009 is as follows :

Approved and contracted for RM0.8 million.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no other contingent liabilities or contingent assets, except for corporate guarantee amounting RM186 million given to licensed banks in respect of bank facilities granted to subsidiaries during the three months financial period ended 30 September 2009.

13. SUBSEQUENT EVENTS

PGB had on 6 November 2009 incorporated a wholly-owned subsidiary company in Hong Kong under the name of Roots Investment Holding Private Limited (ROOTS HK) via the subscription of 10,000 ordinary shares of HKD 1.00 each at par value by PCCS in ROOTS HK, representing 100% of the issued and paid-up share capital of ROOTS HK.



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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 September 2009, the Group recorded a slight lower turnover of RM286.6 million compared to RM287.8 million achieved in the previous corresponding period. The pre-tax profit of the Group improved from loss RM9 million achieved in the corresponding financial period ended 30 September 2008 to a pre-tax profit of RM7.9 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 period under reviewed.

15. COMMENT ON MATERIAL CHANGE IN THE QUARTERLY RESULTS

Total turnover decreased from RM167.5 million recorded in the preceding quarter to RM119.1 million achieved in the current quarter. The pre-tax profit of the Group recorded at RM1.3 million compared to a pre-tax loss RM8.1 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 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 6 months ended	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
Malaysian income tax	(30)	119	561	390
Foreign income tax	42	619	925	682
Total income tax expense	<u>12</u>	<u>738</u>	<u>1,486</u>	<u>1,072</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 Sep 09 RM'000	As at 31 Mar 09 RM'000
Short term borrowings		
- Bank overdrafts	7,619	8,242
- Bankers' acceptance	39,004	68,662
- Trade loan/Trust receipts/Export bill financing	49,218	43,152
- Term loans	27,605	23,529
- Revolving credit	34,622	32,724
- Hire purchase and lease payables	3,301	4,425
	<u>161,369</u>	<u>180,734</u>
	As at 30 Sep 09 RM'000	As at 31 Mar 09 RM'000
Long term borrowings		
- Hire purchase and lease payables	3,129	5,497
- Term loans	14,373	21,142
	<u>17,502</u>	<u>26,639</u>
Total	<u>178,871</u>	<u>207,373</u>

Borrowings denominated in foreign currency:

	'000	Ringgit Equivalent RM'000
- United States Dollars ("USD")	14,894	52,575
- Hong Kong Dollars ("HKD")	43,612	20,061
- Chinese, Yuan Renminbi ("RMB")	89,564	46,573
		<u>119,209</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
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 September 2009 (30 September 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.

b Diluted

There is no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 September 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 26 November 2009.

By Order of the Board

CHUA SIEW CHUAN(MAICSA 0777689)
Company Secretary
26 November 2009