

PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

The Board of Directors of PFCE Berhad (PFCE) is pleased to announce the following unaudited condensed financial statements of PFCE Group for the fifth quarter ended 31 March 2014 which should be read in conjunction with Explanatory Notes on pages 6 – 19.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3 months ended 31.03.2014	15 months ended 31.03.2014
		RM'000	RM'000
Revenue	14	7,448	23,491
Cost of sales		(4,696)	(14,935)
Gross profit		2,752	8,556
Other operating income		223	896
Operating expenses		(1,850)	(8,574)
Other operating expenses		(257)	(553)
Finance costs		(20)	(98)
Profit before taxation	25	848	227
Income tax expense	18	(370)	(401)
Profit/(Loss) from continuing operations		478	(174)
Loss from discontinued operation, net of tax	24	(22,094)	(43,280)
Loss for the financial period		(21,616)	(43,454)
Other comprehensive (expense)/income net of tax :			
Exchange differences on translating foreign operations		(48)	70
Other comprehensive (expense)/income for the financial period, net of tax		(48)	70
Total comprehensive expense for the financial period		(21,664)	(43,384)
Loss after taxation attributable to:			
Owners of the Company :			
- Continuing operations		478	(174)
- Discontinued operation		(14,361)	(28,132)
		(13,883)	(28,306)
Non-controlling interests:			
- Discontinued operation		(7,733)	(15,148)
		(21,616)	(43,454)

PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3 months ended 31.03.2014	15 months ended 31.03.2014
		RM'000	RM'000
Total comprehensive expense attributable to :			
Owners of the Company :			
- Continuing operations		430	(104)
- Discontinued operation		(14,361)	(28,132)
		<u>(13,931)</u>	<u>(28,236)</u>
Non-controlling interests:			
- Discontinued operation		(7,733)	(15,148)
		<u>(21,664)</u>	<u>(43,384)</u>
Earnings/(Loss) Per Share attributable to owners of the Company (sen):			
Basic :			
- Continuing operations	23	0.50	(0.18)
- Discontinued operation	23	(15.11)	(29.62)
		<u>(14.61)</u>	<u>(29.80)</u>
Diluted :			
- Continuing operations		NA	NA
- Discontinued operation		NA	NA

PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31.03.2014 RM'000	AS AT 31.12.2012 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		29,258	31,692
Goodwill on consolidation		2,575	2,575
Prepaid land lease payments		171	171
		<u>32,004</u>	<u>34,438</u>
Current assets			
Inventories		5,615	6,881
Trade receivables		3,528	1,576
Other receivables and prepaid expenses		1,842	2,050
Amount owing by related parties		40	5,517
Amount owing by contract customer		-	39,323
Derivative Financial Instruments		-	4
Tax recoverable		10	10
Deposits with financial institutions		56	56
Cash and bank balances		4,990	3,643
		<u>16,081</u>	<u>59,060</u>
Assets of disposal company held for sale	24	954	-
TOTAL ASSETS		<u>49,039</u>	<u>93,498</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		47,500	47,500
Share Premium		12,361	12,361
Other Reserves		153	83
Accumulated Loss		(44,694)	(16,388)
		<u>15,320</u>	<u>43,556</u>
Non-controlling interests		<u>(13,679)</u>	<u>1,469</u>
Total equity		<u>1,641</u>	<u>45,025</u>
Non-current liabilities			
Borrowings	20	94	328
Deferred tax liabilities		2,939	2,962
		<u>3,033</u>	<u>3,290</u>
Current liabilities			
Borrowings	20	1,216	1,390
Trade payables		2,204	40,683
Derivative Financial Instruments		-	1,898
Other payables and accrued expenses		2,503	1,212
Tax Liabilities		370	
		<u>6,293</u>	<u>45,183</u>
Liabilities of disposal company held for sale	24	38,072	-
Total liabilities		<u>47,398</u>	<u>48,473</u>
TOTAL EQUITY AND LIABILITIES		<u>49,039</u>	<u>93,498</u>
Net assets per share (sen)		16.13	45.85



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Owners of the Company

	Non-Distributable			Distributable		Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Translation of Foreign Operations RM'000	Accumulated Losses RM'000			
At 1 January 2012	44,000	11,661	-	104	(16,416)	39,349	157	39,506
Profit after taxation for the financial period	-	-	-	-	28	28	1,312	1,340
Other Comprehensive expenses for the financial year, net of tax:	-	-	-	(21)	-	(21)	-	(21)
Total comprehensive expenses for the financial period	-	-	-	(21)	28	7	1,312	1,319
Issue of ordinary shares	3,500	700	-	-	-	4,200	-	4,200
Transfer from accumulated losses	-	-	-	-	-	-	-	-
At 31 December 2012/1 January 2013	47,500	12,361	-	83	(16,388)	43,556	1,469	45,025
At 1 January 2013	47,500	12,361	-	83	(16,388)	43,556	1,469	45,025
Loss after taxation for the financial period	-	-	-	-	(174)	(174)	-	(174)
- Continuing operations	-	-	-	-	(174)	(174)	-	(174)
- Discontinued operation	-	-	-	-	(28,132)	(28,132)	(15,148)	(43,280)
Other Comprehensive income for the financial year, net of tax:	-	-	-	70	-	70	-	70
- Continuing operations	-	-	-	70	-	70	-	70
- Discontinued operation	-	-	-	-	-	-	-	-
Total comprehensive income/(expense) for the financial period	-	-	-	70	(174)	(104)	-	(104)
- Continuing operations	-	-	-	70	(174)	(104)	-	(104)
- Discontinued operation	-	-	-	-	(28,132)	(28,132)	(15,148)	(43,280)
At 31 March 2014	47,500	12,361	-	153	(44,694)	15,320	(13,679)	1,641

PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
	15 months ended 31.03.2014 RM'000	12 months ended 31.12.2012 RM'000
Profit/(Loss) before taxation		
- continued operations	227	(3,430)
- discontinued operations	(43,287)	6,266
	<u>(43,060)</u>	<u>2,836</u>
Adjustment for non-cash flow:-		
Non-cash items	1,644	1,790
Non-operating items	121	148
	<u>(41,295)</u>	<u>4,774</u>
Operating (loss)/profit before changes in working capital		
Changes in working capital		
Net changes in current assets	44,470	(37,768)
Net changes in current liabilities	(897)	28,960
	<u>2,278</u>	<u>(4,034)</u>
Cash flows generated from/(used in) operating activities		
Interest paid	(124)	(148)
Income tax paid	(419)	(196)
	<u>1,735</u>	<u>(4,378)</u>
Net cash flows generated from/(used in) operating activities		
Investing Activities		
- Purchase of property, plant & equipment	(275)	(1,727)
- Proceeds from disposal of property, plant & equipment	105	2
- Interest Received	(2)	4
	<u>(172)</u>	<u>(1,721)</u>
Net cash flow used in investing activities		
Financing Activities		
- Proceeds from issuance of shares	-	4,200
- Bank borrowings	(149)	154
	<u>(149)</u>	<u>4,354</u>
Net cash flow (used in)/generated from financing activities		
Net Changes in Cash & Cash Equivalents	1,414	(1,745)
Cash & Cash Equivalents at beginning of period/year	3,063	4,730
Effects of exchange rate changes	26	78
	<u>4,503</u>	<u>3,063</u>
Cash & Cash Equivalents at end of period/year		
Cash and cash equivalents at end of financial period comprise of:		
<u>Continuing operations</u>		
Cash and bank balances	4,990	3,564
Fixed deposits with licensed banks	56	56
Less: Bank overdrafts (included within short term borrowings in Note 20)	(553)	(634)
	<u>4,493</u>	<u>2,986</u>
<u>Discontinued operations</u>		
Cash and bank balances	10	77
	<u>4,503</u>	<u>3,063</u>



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

**PART A – DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS 134**

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provision of the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries as at and for the quarter ended 31 March 2014.

2. CHANGES IN ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2013 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2012 except as described below.

As of 1 January 2013, the Group has adopted the following new and revised MFRSs, amendments and IC interpretations (collectively referred to as “pronouncements”) which are effective for annual periods beginning on or after 1 January 2013.

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 116	Properties, Plant and Equipment (Annual Improvements 2009-2011 Cycle)



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

**PART A – DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS 134**

2. CHANGES IN ACCOUNTING POLICIES (Cont.)

Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)

Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine Annual improvement 2012

The adoption of the above pronouncements does not have material impact on the financial statements of the Group.

Effective for financial period beginning on or after 1 January 2014

Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities

Effective for financial period beginning on or after 1 January 2015

MFRS 9 Financial Instruments

Amendments to MFRS 9 Mandatory Effective Date of MFRS 9 and Transition Disclosures

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualified audit report issued by the auditors in the annual financial statements for the year ended 31 December 2012.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The ceramic business is cyclical in nature as it is affected by the seasonal pattern of the export countries.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current quarter and financial period-to-date under review.



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

**PART A – DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS 134**

**6. CHANGE IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS
OF THE CURRENT FINANCIAL PERIOD OR IN PRIOR FINANCIAL YEARS**

There were no material changes in estimates of the amounts reported in the interim financial statements of the Group for the quarter ended 31 March 2014 that may have a material effect in the current quarter results.

7. PROPERTY, PLANT AND EQUIPMENT

Freehold land is stated at cost and is not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

8. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchase, resale and repayment of debt and equity securities during the quarter ended 31 March 2014.

9. DIVIDENDS

No dividend was paid for the financial period ended 31 March 2014.

10. SEGMENTAL INFORMATION

The Group has three reporting segments, as described below, which offer different products and services and are managed separately because they require different technologies and marketing strategies. The following summary describes the operations in each of the Group's reporting segments:

- Oil and Gas – activities include fabrication of oil and gas steel structures and platforms.
- Ceramic – activities include retail, trading, manufacturing, exporting and marketing of pottery and porcelain products, ceramic ware and ornaments.

The Group operates mainly in Malaysia and accordingly, information by geographical location of the Group's operations is not presented.

Segmental information is provided based on business segment, as follows:



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART A – DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134

10. SEGMENTAL INFORMATION (Cont.)

	<u>Oil & Gas</u> RM'000	<u>Ceramic</u> RM'000	<u>Investment</u> <u>Holding</u> RM'000	<u>Group</u> RM'000
3 months ended 31.03.2014				
<u>Conitnuing operations</u>				
External Revenue	-	7,448	-	7,448
<u>Discontinuing operation</u>				
External Revenue	-	-	-	-
	<u>-</u>	<u>7,448</u>	<u>-</u>	<u>7,448</u>
Results				
<u>Conitnuing operations</u>				
Segment results	-	1,045	(178)	867
Interest Income	-	1	-	1
Finance Cost	-	(19)	(1)	(20)
Profit/(Loss) before taxation	-	1,027	(179)	848
Income tax expense	-	(370)	-	(370)
Profit/(Loss) after taxation	-	657	(179)	478
<u>Discontinuing operation</u>				
Net loss for the period	(22,094)	-	-	(22,094)
Profit/(Loss) for the financial period	<u>(22,094)</u>	<u>657</u>	<u>(179)</u>	<u>(21,616)</u>
15 months ended 31.03.2014				
<u>Conitnuing operations</u>				
External Revenue	-	23,491	-	23,491
<u>Discontinuing operation</u>				
External Revenue	-	-	-	-
	<u>-</u>	<u>23,491</u>	<u>-</u>	<u>23,491</u>
Results				
<u>Conitnuing operations</u>				
Segment results	-	1,583	(1,256)	327
Interest Income	-	(2)	(0)	(2)
Finance Cost	-	(98)	0	(98)
(Loss)/Profit before taxation	-	1,483	(1,256)	227
Income tax expense	-	(401)	-	(401)
(Loss)/Profit after taxation	-	1,082	(1,256)	(174)
<u>Discontinuing operation</u>				
Net loss for the period	(43,280)	-	-	(43,280)
(Loss)/Profit for the financial period	<u>(43,280)</u>	<u>1,082</u>	<u>(1,256)</u>	<u>(43,454)</u>



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

**PART A – DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS 134**

11. SUBSEQUENT EVENTS

There were no significant events subsequent to 31 December 2012 other than the following:

On 6 May 2014, PFCE Berhad (“Company”) had entered into a Share Sale Agreement (“SSA”) with Calgary Global Group Limited (“Calgary” or “the Purchaser”) for the disposal of its entire 65% equity interest comprising 65 ordinary shares of RM1.00 each representing 65% of the total issued and paid-up capital in PFCE Offshore Worldwide Sdn Bhd (“POW”) to Calgary for a total cash consideration of RM1.00 (“Disposal Consideration”)(hereinafter referred to as “Disposal”). . In consequence thereof, POW has ceased to be a subsidiary of the Company. The Disposal has been completed on 8 May 2014.

12. CHANGES IN COMPOSITION OF THE GROUP

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

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2012.



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

14. REVIEW OF GROUP PERFORMANCES

Current Quarter

	<u>Oil & Gas</u> RM'000	<u>Ceramic</u> RM'000	<u>Investment</u> <u>Holding</u> RM'000	<u>Group</u> RM'000
3 months ended 31.03.2014				
Revenue				
Continuing operations		7,448	-	7,448
Discontinued operation	-	-	-	-
	-	7,448	-	7,448
Profit/(Loss) before taxation				
Continuing operations	-	1,027	(179)	848
Discontinued operation	-	-	-	-
	-	1,027	(179)	848
Profit/(Loss) for the period				
Continuing operations	-	657	(179)	478
Discontinued operation	(22,094)	-	-	(22,094)
	(22,094)	657	(179)	(21,616)

As tabulated above, the Group's revenue for continuing operations is RM7.45 million and net profit of RM0.48 million for the current quarter ended 31 March 2014.

Following the change in the Group's annual reporting date from 31 December 2013 to 30 June 2014, the figures for the 3 month period ended 31 March 2014 are in respect of the fifth quarter and accordingly, there is no corresponding quarter and commentary presented.



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

14. REVIEW OF GROUP PERFORMANCE (Cont.)

Year To Date

	<u>Oil & Gas</u>	<u>Ceramic</u>	<u>Investment</u> <u>Holding</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000
15 months ended 31.03.2014				
Revenue				
Continuing operations		23,491	-	23,491
Discontinued operation	-	-	-	-
	-	23,491	-	23,491
Profit/(Loss) before taxation				
Continuing operations	-	1,483	(1,256)	227
Discontinued operation	-	-	-	-
	-	1,483	(1,256)	227
Profit/(Loss) for the period				
Continuing operations	-	1,082	(1,256)	(174)
Discontinued operation	(43,280)	-	-	(43,280)
	(43,280)	1,082	(1,256)	(43,454)

As tabulated above, the Group's revenue for continuing operations is RM23.49 million and net loss of RM0.17 million for 15 months ended 31 March 2014.

Following the change in the Group's annual reporting date from 31 December 2013 to 30 June 2014, the figures for the 3 month period ended 31 March 2014 are in respect of the fifth quarter and accordingly, there is no corresponding quarter and commentary presented.



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

15. MATERIAL CHANGE IN PERFORMANCE AS COMPARED TO PRECEEDING QUARTER

	3 months ended	
	31.03.2014	31.12.2013
	RM'000	RM'000
Revenue		
Continuing operations	7,448	6,409
Discontinued operation	-	-
	7,448	6,409
	7,448	6,409
Profit/(Loss) before taxation		
Continuing operations	848	1,191
Discontinued operation	-	(93)
	848	1,098
	848	1,098
Profit/(Loss) for the period		
Continuing operations	478	1,160
Discontinued operation	(22,094)	(93)
	(21,616)	1,067
	(21,616)	1,067

The overall decrease in profit for the period, for continuing operation was principally due to a combination of contributing factors which include the following:

- a. Overall decrease in the gross profit margins, from 41% to 37%.
- b. Increase in human resources costs and unrealized loss on foreign exchange
- c. Provision of taxation for profitable subsidiary in current quarter.

16. COMMENTARY ON PROSPECTS

The outlook for the Group on ceramic activities remains positive.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast.



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

18. TAXATION

	Current Quarter Ended 31.03.2014	15 months ended 31.03.2014
	RM'000	RM'000
Continuing operations		-
Deferred tax	-	(31)
Current tax Expense	(370)	(370)
	<u>(370)</u>	<u>(401)</u>
Discontinued operation		
Deferred tax	-	-
Current tax Expense	15	7
	<u>15</u>	<u>7</u>

The effective rate of taxation for the Group is higher than the statutory tax rate mainly due to losses in certain subsidiaries that are not available for set-off against taxable profits in other companies within the Group.

Domestic current income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the taxable profit for the year. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax expense for the current quarter was mainly due to:

- a) non-deductibility of certain expenses for tax purposes;
- b) deferred tax recognized

19. CORPORATE PROPOSALS

There is no outstanding corporate proposal as at the date of this report.

PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

20. BORROWINGS AND DEBT SECURITIES

Particulars of Group's borrowings are as follow:

	<u>As at</u> <u>31.03.2014</u> RM'000	<u>As at</u> <u>31.12.2012</u> RM'000
Non Current		
Term Loan	-	-
Finance lease liabilities	94	328
	<u>94</u>	<u>328</u>
Current		
Term Loan	-	210
Finance lease liabilities	41	104
Bank Overdraft	553	634
Bankers Acceptance	622	442
	<u>1,216</u>	<u>1,390</u>
	<u>1,310</u>	<u>1,718</u>

	<u>Total</u> RM'000	<u>< 1 year</u> RM'000	<u>1-2 years</u> RM'000	<u>2-5 years</u> RM'000	<u>> 5 years</u> RM'000
Term Loan	-	-	-	-	-
Finance Lease Liabilities	135	41	43	51	-
	<u>135</u>	<u>41</u>	<u>43</u>	<u>51</u>	<u>-</u>

	<u>As at 31.03.2014</u>		
	<u>Minimum lease payments</u> RM'000	<u>Future finance charges</u> RM'000	<u>Present Value</u> RM'000
Less than one year	46	5	41
Between 1 - 2 years	46	3	43
2 - 5 years	53	2	51
More than 5 years	-	-	-
	<u>145</u>	<u>10</u>	<u>135</u>



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

21. CHANGES IN MATERIAL LITIGATION

The Directors were not aware of any material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

22. PROPOSED DIVIDEND

There were no dividends proposed or declared by the Company for the current quarter and financial period-to-date.

23. LOSS PER SHARE

The basic loss per ordinary share of the Group were calculated by dividing the net loss attributed to owners of the Company by the weighted number of ordinary shares in issue during the reporting period.

	3 months ended 31.03.2014	15 months ended 31.03.2014
(Loss)/Profit attributable to owners of the Company (RM'000)		
Continuing operations	478	(174)
Discontinued operation	<u>(14,361)</u>	<u>(28,132)</u>
	<u>(13,883)</u>	<u>(28,306)</u>
Weighted average number of ordinary shares issue ('000)	<u>95,000</u>	<u>95,000</u>
Basic loss per share (in sen)		
Continuing operations	0.50	(0.18)
Discontinued operation	<u>(15.11)</u>	<u>(29.62)</u>
	<u>(14.61)</u>	<u>(29.80)</u>

Fully diluted loss per share was not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

24. DISCONTINUED OPERATION

Analysis of the results of the discontinued operation is as follows:

	3 months ended	15 months ended
	31.03.2014	31.03.2014
	RM'000	RM'000
Revenue	-	197
Cost of sales	<u>(19,302)</u>	<u>(20,167)</u>
Gross profit	(19,302)	(19,970)
Administrative expenses	14	(624)
Other Operating Expenses	(2,861)	(22,668)
Finance costs	<u>40</u>	<u>(25)</u>
Loss before taxation	<u>(22,109)</u>	<u>(43,287)</u>
Income Tax Expense	15	7
Loss After Taxation	<u>(22,094)</u>	<u>(43,280)</u>
Non Controlling interests	<u>7,733</u>	<u>15,148</u>
	<u><u>(14,361)</u></u>	<u><u>(28,132)</u></u>

The cash flows attributable to the discontinued operation are the following:

	At 31.03.2014
	RM'000
Net cash for operating activities	1
Net cash for financing activities	<u>(68)</u>
Net cash for discontinued operation	<u><u>(67)</u></u>



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

24. DISCONTINUED OPERATION (Cont.)

As disclosed on 9 May 2014, the Company entered into a Share Sale Agreement to dispose of its entire equity interest in POW. As 31 March 2014, the assets and liabilities of POW are classified as Assets and Liabilities Held for Sale, details of which are as follows:

	<u>At 31.03.2014</u> <u>RM'000</u>
Assets	
Fixed assets	944
Cash and bank balances	10
Assets of disposal company classified as held for sale	<u>954</u>
Liabilities and Equities	
Borrowings	260
Trade and other payables	<u>39,776</u>
Liabilities of disposal company classified as held for sale	<u>40,036</u>
Net assets of disposal company classified as held for sale	<u><u>(39,082)</u></u>

Included in trade and other payables is amount owe to the holding Company, PFCE Berhad amounting to RM1.96 million. This amount has been eliminated accordingly in the balance sheet.

25. PROFIT/(LOSS) BEFORE TAXATION

	3 months ended 31.03.2014 <u>RM'000</u>	15 months ended 31.03.2014 <u>RM'000</u>
Profit/(Loss) before taxation is arrived at after Charging/(crediting):		
Depreciation and amortization	379	1,800
Gain on derivative	-	44
Impairment of receivable	2,756	22,277
Interest expense	(20)	124
Interest income	(1)	(2)
Net realised loss on foreign exchange	(92)	(24)
Net unrealised gain on foreign exchange	121	(145)
Other income including investment income	(20)	(177)



PFCE BERHAD
(504718-U)

QUARTERLY REPORT FOR THE 5TH QUARTER ENDED 31 MARCH 2014

**PART B – DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING
REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

25. PROFIT/(LOSS) BEFORE TAXATION (Cont.)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

26. REALISED AND UNREALISED PROFIT OR LOSSES

The breakdown of the accumulated losses of the Group as at the end of reporting period into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad is as follows:-

	As at 31.03.2014 RM'000	As at 31.12.2012 RM'000
Total Retained Profits of PFCE and its subsidiaries:		
- Realised	(19,831)	19,845
- Unrealised	(2,193)	(310)
	<u>(22,024)</u>	<u>19,535</u>
Less: Consolidation Adjustments	(22,670)	(35,923)
Total Group retained profits	<u><u>(44,694)</u></u>	<u><u>(16,388)</u></u>

27. AUTHORISATION FOR ISSUE

The interim financial report for the period under review is authorised and approved for issue and announcement to Bursa Malaysia Securities Berhad by PFCE's Board in accordance with a resolution of the directors on 27th May 2014.

By Order of the Board
Dated: 27th May 2014