

PFCE BERHAD
(504718-U)
QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
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		INDIVIDUAL QUARTER CURRENT QUARTER ENDED 30.06.2014	CUMULATIVE PERIOD 18 MONTHS ENDED 30.06.2014
	Note	RM'000	RM'000
Revenue	16	4,491	27,982
Cost of sales		(2,720)	(17,655)
Gross profit		1,771	10,327
Other income		23,524	24,420
Operating expenses		(1,997)	(10,571)
Other operating expenses		(6,894)	(7,447)
Finance costs		(10)	(108)
Profit before taxation	27	16,394	16,621
Income tax expense	20	580	179
Profit after taxation from continuing operations		16,974	16,800
Loss from discontinued operations, net of tax	26	(24)	(43,304)
Profit/(Loss) after taxation		16,950	(26,504)
Other comprehensive income net of tax :			
- Foreign currency translation		42	112
Total comprehensive income/(expenses)		16,992	(26,392)
Profit/(Loss) after taxation attributable to:			
Owners of the Company :			
- Continuing operations		16,974	16,800
- Discontinued operations		(16)	(28,148)
		16,958	(11,348)
Non-controlling interests:			
- Discontinued operations		(8)	(15,156)
		16,950	(26,504)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT QUARTER ENDED 30.06.2014	CUMULATIVE PERIOD 18 MONTHS ENDED 30.06.2014
Note	RM'000	RM'000
Total comprehensive income/(expenses) attributable to :		
Owners of the Company :		
- Continuing operations	17,016	16,912
- Discontinued operations	<u>(16)</u>	<u>(28,148)</u>
	17,000	(11,236)
Non-controlling interests:		
- Discontinued operations	<u>(8)</u>	<u>(15,156)</u>
	<u>16,992</u>	<u>(26,392)</u>
Earnings/(Loss) per share attributable to Owners of the Company (sen):		
Basic :		
- Continuing operations	25 17.87	17.68
- Discontinued operations	25 <u>(0.02)</u>	<u>(29.63)</u>
	<u>17.85</u>	<u>(11.95)</u>
Diluted :		
- Continuing operations	NA	NA
- Discontinued operations	NA	NA

(The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

PFCE BERHAD
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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30.06.2014 RM'000	AS AT 31.12.2012 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		27,932	31,692
Prepaid lease payments		175	171
Goodwill on consolidation		-	2,575
		<u>28,107</u>	<u>34,438</u>
Current assets			
Inventories		2,491	6,881
Trade receivables		2,287	1,576
Other receivables, deposits and prepayments		1,109	2,050
Amount owing by related parties		482	5,517
Amount owing by contract customer		-	39,323
Derivative assets		-	4
Tax recoverable		15	10
Deposits with financial institutions		308	56
Cash and bank balances		4,201	3,643
		<u>10,893</u>	<u>59,060</u>
TOTAL ASSETS		<u>39,000</u>	<u>93,498</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		47,500	47,500
Share premium		12,361	12,361
Other reserves		195	83
Accumulated losses		(27,736)	(16,388)
		<u>32,320</u>	<u>43,556</u>
Non-controlling interests		-	1,469
Total equity		<u>32,320</u>	<u>45,025</u>
Non-current liabilities			
Borrowings	22	84	328
Deferred tax liabilities		2,729	2,962
		<u>2,813</u>	<u>3,290</u>
Current liabilities			
Trade payables		939	40,683
Other payables and accruals		2,745	1,212
Amount owing to related parties		142	-
Derivative liabilities		-	1,898
Borrowings	22	41	1,390
		<u>3,867</u>	<u>45,183</u>
Total liabilities		<u>6,680</u>	<u>48,473</u>
TOTAL EQUITY AND LIABILITIES		<u>39,000</u>	<u>93,498</u>
Net assets per share (sen)		34.02	45.85

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable		Distributable		Attributable to Owners of the Company	Non-Controlling Interests ("NCI")	Total Equity
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Accumulated Losses			
At 1 January 2012	44,000	11,661	104	(16,416)	39,349	157	39,506
Profit after taxation for the financial year	-	-	-	28	28	1,312	1,340
Other comprehensive expenses for the financial year, net of tax	-	-	(21)	-	(21)	-	(21)
Total comprehensive income/(expenses) for the financial year	-	-	(21)	28	7	1,312	1,319
Issue of ordinary shares	3,500	700	-	-	4,200	-	4,200
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
Profit/(Loss) after taxation:	-	-	-	16,800	16,800	-	16,800
- Continuing operations	-	-	-	(28,148)	(28,148)	(15,156)	(43,304)
NCI's share of net liabilities on disposal of a subsidiary	-	-	-	-	-	13,687	13,687
Other comprehensive income, net of tax:	-	-	112	-	112	-	112
- Continuing operations	-	-	-	-	-	-	-
- Discontinued operations	-	-	-	-	-	-	-
Total comprehensive income/(expenses)	-	-	112	16,800	16,912	-	16,912
- Continuing operations	-	-	-	(28,148)	(28,148)	(1,469)	(29,617)
- Discontinued operations	-	-	-	-	-	-	-
At 30 June 2014	47,500	12,361	195	(27,736)	32,320	-	32,320

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	18 months ended 30.06.2014 RM'000	12 months ended 31.12.2012 RM'000
Profit/(Loss) before taxation		
- continuing operations	16,621	(3,430)
- discontinued operations	(43,304)	6,266
	<u>(26,683)</u>	<u>2,836</u>
Adjustments for:-		
Non-cash items	7,653	1,861
Non-operating items	125	76
Operating (loss)/profit before changes in working capital	<u>(18,905)</u>	<u>4,773</u>
Net changes in current assets	24,002	(43,067)
Net changes in current liabilities	(2,211)	37,053
Cash flows generated from/(used in) operating activities	<u>2,886</u>	<u>(1,241)</u>
Interest paid	(133)	(86)
Income tax paid	(66)	(195)
Net cash flows generated from/(used in) operating activities	<u>2,687</u>	<u>(1,522)</u>
Investing Activities		
- Purchase of plant and equipment	(583)	(1,435)
- Proceeds from disposal of plant and equipment	134	15
- Net cash outflow from disposal of a subsidiary	(100)	-
- Advances to related party	-	(2,833)
- Interest received	8	10
Net cash flow used in investing activities	<u>(541)</u>	<u>(4,243)</u>
Financing Activities		
- Proceeds from issuance of shares	-	4,200
- Repayment of borrowings	(702)	(102)
Net cash flow (used in)/generated from financing activities	<u>(702)</u>	<u>4,098</u>
Net changes in cash and cash equivalents	1,444	(1,667)
Cash and cash equivalents at beginning of period/year	3,065	4,730
Effect of foreign exchange translation	-	*
	<u>2</u>	<u>2</u>
Cash and cash equivalents at end of period/year	<u>4,509</u>	<u>3,065</u>
Cash and cash equivalents at end of financial period comprise of:-		
Cash and bank balances	4,201	3,643
Deposits with financial institutions	308	56
Bank overdrafts (included in short-term borrowings in Note 22)	-	(634)
	<u>4,509</u>	<u>3,065</u>

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)



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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 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 30 June 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)



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**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.



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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 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 30 June 2014 that may have a material effect in the current quarter results.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchase, resale and repayment of debt and equity securities during the quarter ended 30 June 2014.

8. DIVIDENDS

No dividend was paid during the quarter ended 30 June 2014.

9. SEGMENTAL INFORMATION

Following the disposal of a subsidiary as disclosed in Note 11, which represented the oil and gas segment, the Group has a main business segment as follows:-

Ceramic - activities include retail, trading, manufacturing, exporting and marketing of pottery and porcelain products, ceramic ware and ornaments.

The Group operates principally in Malaysia.

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

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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

9. SEGMENTAL INFORMATION (Cont.)

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Oil & Gas</u> RM'000	<u>The Group</u> RM'000
Current quarter ended 30.06.2014				
<u>Continuing operations</u>				
External revenue	-	4,491	-	4,491
<u>Discontinued operations</u>				
External revenue	-	-	-	-
	-	4,491	-	4,491
Results				
<u>Continuing operations</u>				
Segment results	20,448	(4,054)	-	16,394
Interest income	-	10	-	10
Finance costs	-	(10)	-	(10)
Profit/(Loss) before taxation	20,448	(4,054)	-	16,394
Income tax expense	-	580	-	580
Profit/(Loss) after taxation	20,448	(3,474)	-	16,974
<u>Discontinued operations</u>				
Loss after taxation	-	-	(24)	(24)
Profit/(Loss) after taxation	20,448	(3,474)	(24)	16,950
18 months ended 30.06.2014				
<u>Continuing operations</u>				
External revenue	-	27,982	-	27,982
Inter-segment revenue	181	-	-	181
<u>Discontinued operations</u>				
External Revenue	-	-	197	197
	181	27,982	197	28,360
			Elimination	(181)
				28,179
Results				
<u>Continuing operations</u>				
Segment results	19,192	(2,471)	-	16,721
Interest income	-	8	-	8
Finance costs	-	(108)	-	(108)
Profit/(Loss) before taxation	19,192	(2,571)	-	16,621
Income tax expense	-	179	-	179
Profit/(Loss) after taxation	19,192	(2,392)	-	16,800
<u>Discontinued operations</u>				
Loss after taxation	-	-	(43,304)	(43,304)
Profit/(Loss) after taxation	19,192	(2,392)	(43,304)	(26,504)



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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter up to 19 August 2014, being the last practicable date from the date of the issue of this report that are expected to have an operational or financial impact on the Group.

11. CHANGES IN COMPOSITION OF THE GROUP

On 6 May 2014, the Company had entered into a Share Sale Agreement (“SSA”) with Calgary Global Group Limited (“Calgary”) 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 (hereinafter referred to as “Disposal”). In consequence thereof, POW has ceased to be a subsidiary of the Company. The Disposal has completed on 8 May 2014.

On 11 June 2014, the Company acquired two (2) ordinary shares, representing 100% of the total issued and paid-up share capital of Sunmark Point Sdn. Bhd. (“SPSB”) for a total consideration of RM2.00. SPSB was incorporated on 28 May 2014 and is presently dormant.

12. 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.

13. CAPITAL COMMITMENTS

There were no capital commitments as at 19 August 2014 (the latest practicable date not earlier than 7 days from the date of issue of this report).



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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

14. RELATED PARTY TRANSACTIONS

The Group's related party transactions in the current quarter and the 18 months ended 30 June 2014 are as follows:

	Current quarter ended 30.06.2014	18 months ended 30.06.2014
	RM'000	RM'000
Sales to related parties	50	413
Rental expenses charged by related parties	130	956
Rental income received from a related party	9	12

15. CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, TRANSFERS AND CLASSIFICATIONS

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities in the current quarter ended 30 June 2014.

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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

16. REVIEW OF GROUP PERFORMANCE

Current Quarter

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Oil & Gas</u> RM'000	<u>The Group</u> RM'000
3 months ended 30.06.2014				
Revenue				
Continuing operations	-	4,491	-	4,491
Discontinued operations	-	-	-	-
	-	4,491	-	4,491
Profit/(Loss) before taxation				
Continuing operations	20,448	(4,054)	-	16,394
Discontinued operations	-	-	(17)	(17)
	20,448	(4,054)	(17)	16,377
Profit/(Loss) after taxation				
Continuing operations	20,448	(3,474)	-	16,974
Discontinued operations	-	-	(24)	(24)
	20,448	(3,474)	(24)	16,950

As tabulated above, the Group's revenue for continuing operations is RM4.49 million and recorded a profit before taxation of RM16.39 million for the current quarter ended 30.06.2014. The profit before taxation of the Group was mainly due to the gain derived from the Disposal which amounted to RM23.46 million and the increase in profit was partially offset by the impairment losses on goodwill of RM2.58 million during the current quarter. The loss from the ceramic segment during the current quarter was mainly due to following:

- a. Decrease in export sales which affected by the seasonal pattern in current quarter.
- b. Inventories written down and written off of RM2.89 million in current quarter.
- c. Impairment losses on property, plant and equipment and plant and equipment written off of RM1.22 million in current quarter.

Following the change in the Group's financial year end from 31 December 2013 to 30 June 2014, the figures for the 3 months period ended 30 June 2014 are in respect of the sixth quarter and accordingly, there is no corresponding quarter and commentary presented.

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

16. REVIEW OF GROUP PERFORMANCE (Cont.)

Period To Date

	<u>Investment</u>	<u>Ceramic</u>	<u>Oil & Gas</u>	<u>The Group</u>
	<u>Holding</u>			
	RM'000	RM'000	RM'000	RM'000
18 months ended 30.06.2014				
Revenue				
Continuing operations	181	27,982	-	28,163
Discontinued operations	-	-	197	197
	181	27,982	197	28,360
			Elimination	(181)
				28,179
Profit/(Loss) before taxation				
Continuing operations	19,192	(2,571)	-	16,621
Discontinued operations	-	-	(43,304)	(43,304)
	19,192	(2,571)	(43,304)	(26,683)
Profit/(Loss) after taxation				
Continuing operations	19,192	(2,392)	-	16,800
Discontinued operations	-	-	(43,304)	(43,304)
	19,192	(2,392)	(43,304)	(26,504)

As tabulated above, the Group's revenue for continuing operations is RM27.98 million and recorded a profit before taxation of RM16.62 million for 18 months ended 30.06.2014. The profit before taxation of RM19.19 million from investment holding was mainly contributed by the gain of RM23.46 million from the Disposal and the increase in profit was partially offset by the impairment losses on goodwill of RM2.58 million. The loss before taxation of RM2.57 million from the ceramic segment was mainly due the combination of the following:

- a. Inventories written down and written off of RM2.89 million.
- b. Impairment losses on property, plant and equipment and plant and equipment written off of RM1.25 million.

Following the change in the Group's financial year end from 31 December 2013 to 30 June 2014, there are no comparative figures for preceding year and commentary presented.

QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

17. MATERIAL CHANGE IN PERFORMANCE AS COMPARED TO PRECEDING QUARTER

	3 months ended	
	30.06.2014	31.03.2014
	RM'000	RM'000
Revenue		
Continuing operations	4,491	7,448
Discontinued operations	-	-
	4,491	7,448
	4,491	7,448
Profit/(Loss) before taxation		
Continuing operations	16,394	848
Discontinued operations	(17)	(22,109)
	16,377	(21,261)
	16,377	(21,261)
Profit/(Loss) after taxation		
Continuing operations	16,974	478
Discontinued operations	(24)	(22,094)
	16,950	(21,616)
	16,950	(21,616)

The overall increase in the profit for the current quarter for continuing operations was mainly contributed by the gain of RM23.46 million from the Disposal in the current quarter. The increase in profit was partially offset by the following:

- a. Decrease in export sales by RM2.96 million which affected by the seasonal pattern in current quarter.
- b. Inventories written down and written off of RM2.89 million in current quarter.
- c. Impairment losses on property, and plant and equipment and plant and equipment written off of RM1.22 million in current quarter.
- d. Impairment losses on goodwill of RM2.58 million in current quarter.

18. COMMENTARY ON PROSPECTS

The outlook for the Group on ceramic activities remains positive.

19. PROFIT FORECAST OR PROFIT GUARANTEE

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

QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

20. TAXATION

	Current quarter ended 30.06.2014	18 months ended 30.06.2014
	RM'000	RM'000
Continuing operations		
Deferred tax expense	211	180
Current tax expense	369	(1)
	<u>580</u>	<u>179</u>
Discontinued operations		
Deferred tax expense	-	-
Current tax expense	(7)	-
	<u>(7)</u>	<u>-</u>

21. CORPORATE PROPOSALS

Proposed Private Placement

On 21 May 2014, TA Securities Holdings Berhad (“TA”) on behalf of the Board of Directors of PFCE announced that the Company proposes to undertake a proposed private placement of up to ten percent (10%) of the issued and paid-up share capital of PFCE (“Proposed Private Placement”).

On 22 May 2014, TA on behalf of the Board of Directors of PFCE announced that the listing application for the Proposed Private Placement has been submitted to Bursa Securities.

Other than the above, there was no other corporate proposal as at 19 August 2014 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion.

QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

22. BORROWINGS AND DEBT SECURITIES

The Group's borrowings are as follow:

	<u>As at</u> <u>30.06.2014</u> RM'000	<u>As at</u> <u>31.12.2012</u> RM'000
Non-Current		
Term loan	-	-
Hire purchase payables	84	328
	<u>84</u>	<u>328</u>
Current		
Term loan	-	210
Hire purchase payables	41	104
Bank overdrafts	-	634
Bankers' acceptances	-	442
	<u>41</u>	<u>1,390</u>
	<u>125</u>	<u>1,718</u>

23. 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.

24. PROPOSED DIVIDEND

There were no dividends proposed or declared by the Company for the current quarter under review.



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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

25. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share of the Group were calculated by dividing the net earnings/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

	3 months ended 30.06.2014	18 months ended 30.06.2014
Profit/(Loss) attributable to Owners of the Company (RM'000):		
- Continuing operations	16,974	16,800
- Discontinued operations	(16)	(28,148)
	16,958	(11,348)
Weighted average number of ordinary shares ('000)	95,000	95,000
Basic earnings/(loss) per share (sen)		
- Continuing operations	17.87	17.68
- Discontinued operations	(0.02)	(29.63)
	17.85	(11.95)

Diluted earnings/(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.



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26. DISCONTINUED OPERATIONS

The discontinued operations is in respect of the Disposal as disclosed in Note 11.

Analysis of the results of the discontinued operations up to the date of disposal is as follows:

	01.04.2014 to 08.05.2014 (Date of disposal)	01.01.2013 to 08.05.2014 (Date of disposal)
	RM'000	RM'000
Revenue	-	197
Cost of sales	(32)	(20,199)
Gross loss	(32)	(20,002)
Operating expenses	(376)	(1,000)
Other operating expenses	391	(22,277)
Finance costs	-	(25)
Loss before taxation	(17)	(43,304)
Income tax expense	(7)	-
Loss after taxation	(24)	(43,304)
Non controlling interests	8	15,156
	<u>(16)</u>	<u>(28,148)</u>

The cash flow of the discontinued operations for the financial period ended 30.06.2014 is not applicable as it was disposed off during the current quarter.



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26. DISCONTINUED OPERATIONS (Cont.)

As at the date of disposal, the assets and liabilities of POW are as follows:

	RM'000
<u>Assets</u>	
Plant and equipment	920
Cash and bank balances	100
	<u>1,020</u>
<u>Liabilities and Equities</u>	
Trade and other payables	36,533
Amount owing to holding company	1,962
Amount owing to related companies	169
Borrowings	257
Provision for taxation	1,151
Deferred tax liabilities	54
	<u>40,126</u>
Net liabilities	<u>(39,106)</u>

The amount owing to the Company by POW is RM1.96 million and is written-off during the current quarter 30.06.2014.

The Disposal has resulted in a net gain on disposal of RM23.46 million after taking into consideration the write-off of amount owing by POW to the Company.

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

27. PROFIT/(LOSS) BEFORE TAXATION

	Current quarter ended <u>30.06.2014</u> RM'000	18 months ended <u>30.06.2014</u> RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):		
Interest income	10	8
Other income	43	220
Interest expense	9	133
Depreciation and amortisation	317	2,117
Impairment loss of receivable	-	22,277
Bad debts written off	80	80
Writeback of bad debts	20	41
Inventories written down	2,784	2,784
Inventories written off	109	109
Impairment losses on property, plant and equipment	595	595
Plant and equipment written off	629	652
Net gain on disposal of plant and equipment	-	23
Gain on disposal of a subsidiary	23,456	23,456
Impairment losses on goodwill	2,575	2,575
Net realised loss on foreign exchange	407	75
Net unrealised gain on foreign exchange	176	18
Loss on derivatives	-	4



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QUARTERLY REPORT FOR THE 6TH QUARTER ENDED 30 JUNE 2014

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

28. 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 or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad is as follows:-

	As at 30.06.2014 RM'000	As at 31.12.2012 RM'000
Total accumulated losses of the Group:		
- Realised	(47,542)	19,845
- Unrealised	(2,997)	(310)
	<u>(50,539)</u>	<u>19,535</u>
Less: Consolidation Adjustments	22,803	(35,923)
	<u>(27,736)</u>	<u>(16,388)</u>

29. 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 26th August 2014.

By Order of the Board
Dated: 28th August 2014

