



**SPRING GALLERY BERHAD (504718-U) (FORMERLY KNOWN AS PFCE BERHAD)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER ENDED 30.9.2015	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.9.2014	CURRENT YEAR- TO-DATE ENDED 30.9.2015	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30.9.2014
	UNAUDITED RM'000	UNAUDITED RM'000	UNAUDITED RM'000	UNAUDITED RM'000
Revenue	3,607	2,403	3,607	2,403
Cost of sales	(2,751)	(1,493)	(2,751)	(1,493)
Gross profit	856	910	856	910
Other income	966	150	966	150
Operating expenses	(1,459)	(1,511)	(1,459)	(1,511)
Other operating expenses	(1)	(77)	(1)	(77)
Finance costs	(16)	(2)	(16)	(2)
Profit/(Loss) before taxation	346	(530)	346	(530)
Taxation	(71)	-	(71)	-
<b>Profit/(Loss) after taxation</b>	<b>275</b>	<b>(530)</b>	<b>275</b>	<b>(530)</b>
<b>Other comprehensive</b>				
<b>(expenses)/income net of tax:</b>				
- Foreign currency translation	(70)	24	(70)	24
<b>Total comprehensive income/</b>				
<b>(expenses)</b>	<b>205</b>	<b>(506)</b>	<b>205</b>	<b>(506)</b>
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	275	(530)	275	(530)
Total comprehensive income/ (expenses) attributable to:-				
Owners of the Company	205	(506)	205	(506)
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic	0.26	(0.56)	0.26	(0.56)
Diluted	NA	NA	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 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)



**SPRING GALLERY BERHAD (504718-U) (FORMERLY KNOWN AS PFCE BERHAD)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 30.9.2015 UNAUDITED RM'000</b>	<b>AS AT 30.6.2015 AUDITED RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,050	24,952
Trade receivables	241	-
	<u>25,291</u>	<u>24,952</u>
<b>Current assets</b>		
Inventories	3,433	1,609
Trade and other receivables	7,381	4,662
Amount owing by a related party	7	7
Tax recoverable	241	29
Fixed deposits with licensed banks	1,508	1,508
Cash and bank balances	9,018	10,141
	<u>21,588</u>	<u>17,956</u>
<b>TOTAL ASSETS</b>	<u>46,879</u>	<u>42,908</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	52,250	52,250
Share premium	12,500	12,500
Other reserves	147	217
Accumulated losses	(28,825)	(29,100)
<b>Total equity</b>	<u>36,072</u>	<u>35,867</u>
<b>Non-current liabilities</b>		
Hire purchase payables	470	510
Deferred tax liabilities	2,587	2,604
Trade payables	216	-
	<u>3,273</u>	<u>3,114</u>
<b>Current liabilities</b>		
Trade and other payables	6,876	3,731
Amount owing to a contract customer	235	-
Provision for taxation	268	43
Hire purchase payables	155	153
	<u>7,534</u>	<u>3,927</u>
<b>Total liabilities</b>	<u>10,807</u>	<u>7,041</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>46,879</u>	<u>42,908</u>
<b>Net assets per share (sen)</b>	<b>34.52</b>	<b>34.32</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)



**SPRING GALLERY BERHAD (504718-U) (FORMERLY KNOWN AS PFCE BERHAD)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-Distributable			Distributable	Total Equity/ Attributable to Owners of the Company RM'000
	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Accumulated Losses	
	RM'000	RM'000	RM'000	RM'000	
Balance at 1.7.2015	52,250	12,500	217	(29,100)	35,867
Profit after taxation for the financial period	-	-	-	275	275
Other comprehensive expenses for the financial period, net of tax	-	-	(70)	-	(70)
Total comprehensive (expenses)/ income for the financial period	-	-	(70)	275	205
Balance at 30.9.2015	52,250	12,500	147	(28,825)	36,072
Balance at 1.7.2014	47,500	12,361	195	(27,737)	32,319
Loss after taxation for the financial period	-	-	-	(530)	(530)
Other comprehensive income for the financial period, net of tax	-	-	24	-	24
Total comprehensive income/ (expenses) for the financial period	-	-	24	(530)	(506)
Balance at 30.9.2014	47,500	12,361	219	(28,267)	31,813

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)



**SPRING GALLERY BERHAD (504718-U) (FORMERLY KNOWN AS PFCE BERHAD)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>CURRENT PERIOD-TO-DATE ENDED 30.9.2015 UNAUDITED RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD ENDED 30.9.2014 UNAUDITED RM'000</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before taxation</b>	346	(530)
Adjustments for:-		
Amortisation of prepaid land lease payments	-	1
Bad debts written off	-	*
Depreciation of property, plant and equipment	212	258
Plant and equipment written off	-	*
Imputed interest expense	7	-
Interest expense	9	2
Inventories written down	-	7
Gain on disposal of plant and equipment	-	(5)
Interest income	(2)	-
Reversal of inventories written down	(5)	-
Unrealised gain on foreign exchange	(588)	(92)
Operating loss before working capital changes	(21)	(359)
Net change in inventories	(1,819)	(1,142)
Net change in trade and other receivables	(2,351)	1,579
Net change in trade and other payables	3,260	343
Net change in amount owing to a contract customers	235	-
Net change in related parties	-	82
Cash flows (for)/from operations	(696)	503
Interest paid	(9)	(2)
Income tax paid	(75)	(4)
<b>Net cash (for)/from operating activities</b>	<b>(780)</b>	<b>497</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	2	-
Purchase of equipment	(310)	(53)
Proceeds from disposal of plant and equipment	-	41
Placement of fixed deposits	-	(1,200)
Net cash for investing activities	(308)	(1,212)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(37)	(15)
Repayment to a related party	-	(87)
Advances from a director	-	20
<b>Net cash for financing activities</b>	<b>(37)</b>	<b>(82)</b>



**SPRING GALLERY BERHAD (504718-U) (FORMERLY KNOWN AS PFCE BERHAD)  
QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONT'D)**

	<b>CURRENT PERIOD-TO-DATE ENDED 30.9.2015 UNAUDITED RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD ENDED 30.9.2014 UNAUDITED RM'000</b>
<b>Net changes in cash and cash equivalents</b>	(1,125)	(797)
<b>Cash and cash equivalents at beginning of period</b>	10,141	4,201
<b>Effect of foreign exchange translation</b>	2	-
<b>Cash and cash equivalents at end of period</b>	<u>9,018</u>	<u>3,404</u>
<b>Cash and cash equivalents at end of financial period comprised:-</b>		
Cash and bank balances	9,018	3,404
Fixed deposits with licensed banks	<u>1,508</u>	<u>1,508</u>
	10,526	4,912
Less: Fixed deposits pledged with licensed banks	<u>(1,508)</u>	<u>(1,508)</u>
	<u>9,018</u>	<u>3,404</u>

*Note:-*

\* - Amount less than RMI,000

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

<b>PART A - DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134</b>
--

## **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 (“Bursa Securities”) and Malaysia Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities.

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 30 June 2015. 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 financial year ended 30 June 2015.

## **2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2015, except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and IC Interpretation with effect from 1 July 2015.

The Group has not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

<b>MFRSs (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016



**SPRING GALLERY BERHAD (504718-U)  
(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)  
QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

<b>PART A - DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134</b>
--

**2. CHANGES IN ACCOUNTING POLICIES (CONT'D)**

The adoption of the above accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application, except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking ‘expected loss’ impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group’s investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

**3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors’ report on the audited financial statements for the financial year ended 30 June 2015 was not qualified.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

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

There were no items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review that were unusual because of their nature, size or incidence.



**SPRING GALLERY BERHAD (504718-U)  
(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)  
QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

<b>PART A - DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134</b>
--

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

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial period that have a material effect in the current financial period under review.

**7. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchase, resale and repayment of debt and equity securities since the last annual reporting date.

**8. DIVIDENDS**

No dividend was paid during the current financial period under review.

**9. SEGMENTAL INFORMATION**

The Group has two main business segments as follows:-

Ceramic segment - involved in the retail, trading, manufacturing, exporting and marketing of pottery, porcelain products and ceramics wares and ornaments.

Construction segment - involved in property construction and related businesses.

The Group operates principally in Malaysia.





**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**9. SEGMENTAL INFORMATION (CONT'D)**

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

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Construction</u> RM'000	<u>The Group</u> RM'000
<b>Current year quarter ended 30.9.2015</b>				
External revenue	-	745	2,862	3,607
<b>Results</b>				
Results before following adjustments	(117)	(571)	319	(369)
Interest income	-	2	-	2
Reversal of inventories written down	-	5	-	5
Realised gain on foreign exchange	-	348	-	348
Unrealised gain on foreign exchange	-	588	-	588
Bad debts written off	-	-	*	-
Depreciation of property, plant and equipment	-	(212)	-	(212)
Plant and equipment written off	-	-	*	-
Segment results	(117)	160	319	362
Finance costs				(16)
Taxation				(71)
Profit after taxation				<u>275</u>

Note:-

\* - Amount less than RM1,000

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Construction</u> RM'000	<u>The Group</u> RM'000
<b>Assets</b>				
Segment assets	1,945	39,368	5,325	46,638
Unallocated assets				241
Consolidated total assets				<u>46,879</u>
<b>Liabilities</b>				
Segment liabilities	370	4,627	2,955	7,952
Unallocated liabilities				2,855
Consolidated total liabilities				<u>10,807</u>



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**9. SEGMENTAL INFORMATION (CONT'D)**

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>The Group</u> RM'000
<b>Preceding year corresponding quarter ended 30.9.2014</b>			
External revenue	-	2,403	2,403
<b>Results</b>			
Results before following adjustments	(39)	(282)	(321)
Interest income	-	- *	- *
Gain on disposal of plant and equipment	-	5	5
Unrealised gain on foreign exchange	-	92	92
Amortisation of prepaid land lease payments	-	(1)	(1)
Depreciation of property, plant and equipment	-	(258)	(258)
Inventories written down	-	(7)	(7)
Realised loss on foreign exchange	-	(38)	(38)
Segment results	(39)	(489)	(528)
Finance costs			(2)
Taxation			-
Loss after taxation			<u>(530)</u>

Note:-

\* - Amount less than RM1,000

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>The Group</u> RM'000
<b>Assets</b>			
Segment assets	93	38,861	38,954
Unallocated assets			19
Consolidated total assets			<u>38,973</u>
<b>Liabilities</b>			
Segment liabilities	852	3,579	4,431
Unallocated liabilities			2,729
Consolidated total liabilities			<u>7,160</u>



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**9. SEGMENTAL INFORMATION (CONT'D)**

**Geographical Information for Revenue**

	<b>Current year quarter ended 30.9.2015 RM'000</b>	<b>Preceding year corresponding quarter ended 30.9.2014 RM'000</b>
United States	268	716
Australia	287	994
Europe	-	82
Malaysia	3,052	510
Others	-	101
	<u>3,607</u>	<u>2,403</u>

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

Save for the following, there were no material events subsequent to the end of the current quarter up to 23 November 2015, 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:-

On 12 November 2015, Profit Sunland Sdn Bhd (“PSSB”), a wholly-owned subsidiary of SGB, has entered into a second managing contractor agreement with JV Muhibbah Sdn Bhd in which PSSB has been appointed as a managing contractor for the development of all that piece of land held under Lot 13550, PN7385, Mukim Cukai, Daerah Kemaman, Terengganu, measuring approximately 31,850 square meters into:-

- (i) a 3-storey shopping complex with parking; and
- (ii) a 12-storey hotel building with parking.

**11. CHANGES IN COMPOSITION OF THE GROUP**

On 18 August 2015, the Company acquired two (2) ordinary shares, representing 100% of the total issued and paid-up share capital of Million Rich Resources Sdn Bhd (“MRRSB”) for a total consideration of RM2.00. MRRSB was incorporated on 10 August 2015. MRRSB is presently dormant and the intended principal activities are property development, property investment and general trading.



**SPRING GALLERY BERHAD (504718-U)  
(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)  
QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

<b>PART A - DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134</b>
--

**12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material changes in contingent liabilities since the last annual reporting date and there were no contingent assets since the last annual reporting date.

**13. CAPITAL COMMITMENTS**

	<b>As at 30.9.2015 RM'000</b>
Approved and contracted for:-	
Purchase of plant and machinery	97

Save for the above, there were no other capital commitments as at the end of the current quarter.

**14. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the current financial period under review.

**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 financial period under review.



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**16. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting rates equal to the current market interest rate plus appropriate credit rating, where necessary.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
30.9.2015								
<u>Financial Asset</u>								
Trade receivables (Non-current)	-	-	-	-	241	-	241	241
<u>Financial Liabilities</u>								
Trade payables (Non-current)	-	-	-	-	216	-	216	216
Hire purchase payables (Non- current)	-	-	-	-	470	-	470	470

The fair values above are for disclosure purposes and have been determined using the following basis:-

- (a) The fair values of hire purchase payables are determined by the relevant cash flows using interest rates for similar instruments ranging from 4.61% to 6.76% (30.6.2015 - 4.61% to 6.76%) per annum at the end of the reporting period; and
- (b) The fair values of trade receivables (non-current) and trade payables (non-current) are determined using discounted cash flow projections based on a borrowing rate of 9.00%. The discount rate equals to the current market interest rate plus appropriate credit rating.



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**17. REVIEW OF GROUP PERFORMANCE**

	Individual Quarter		Cumulative Period	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Revenue				
- Investment holding	-	-	-	-
- Ceramic	745	2,403	745	2,403
- Construction	2,862	-	2,862	-
	3,607	2,403	3,607	2,403
Profit/(Loss) before taxation				
- Investment holding	(117)	(39)	(117)	(39)
- Ceramic	151	(491)	151	(491)
- Construction	312	-	312	-
	346	(530)	346	(530)

The Group’s revenue in the current quarter increased by 50% as compared to the corresponding quarter ended 30.9.2014. The increase was mainly due to revenue derived from construction segment which amounted to RM2.86 million in the current quarter. The revenue contributed by construction segment was in respect of the progress billings for the new development project in Kemaman, Terengganu in the current quarter. While the revenue from ceramic segment decreased by RM1.66 million, representing a decrease of 69% as compared to the corresponding quarter ended 30.9.2014. The decreased revenue in ceramic segment was mainly due to loss of some orders from major customers to competitors in the current quarter.

For the current quarter under review, the Group generated a profit before taxation of RM0.35 million as compared to a loss of taxation of RM0.53 million in the corresponding quarter ended 30.9.2014. The profit was mainly derived from the new development project in construction segment. Despite the decrease in revenue, ceramic segment recorded a profit of RM0.15 million mainly due to the gain derived from foreign exchange which amounted RM0.94 million in the current quarter.



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**18. MATERIAL CHANGE IN PERFORMANCE AS COMPARED TO PRECEEDING QUARTER**

	<b>Current quarter ended 30.9.2015 RM'000</b>	<b>Immediate preceding quarter ended 30.6.2015 RM'000</b>
Revenue		
- Investment holding	-	-
- Ceramic	745	3,066
- Construction	2,862	-
	3,607	3,066
Profit/(Loss) before taxation		
- Investment holding	(117)	(218)
- Ceramic	151	(5,275)
- Construction	312	-
	346	(5,493)

Revenue in the current quarter increased by RM0.54 million, representing an increase of 18% as compared to the preceding quarter which mainly contributed by the progress billings for the new development project in construction segment. The decreased revenue in ceramic segment as compared to the preceding quarter was mainly due to current quarter was a non-peak season for ceramic business and also due to the loss of some orders from major customers to competitors in the current quarter.

The Group recorded a profit before taxation of RM0.35 million in the current quarter as compared to a loss before taxation of RM5.49 million in the preceding quarter. The profit was mainly derived from the new development project in construction segment. Despite the decrease in revenue, ceramic segment recorded a profit of RM0.15 million mainly due to the gain derived from foreign exchange which amounted RM0.94 million in the current quarter. The loss in the preceding quarter was mainly due to revenue generated was not able to cover more fixed operating costs and the impairment losses of RM2.89 million provided on property, plant and equipment and prepaid land lease payments.



**SPRING GALLERY BERHAD (504718-U)  
(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)  
QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**19. COMMENTARY ON PROSPECTS**

The Group, being export orientated, with major customers based in United States may enjoy benefits from the movement in foreign currency in event that United States Dollar becomes stronger in relation to Ringgit Malaysia. However, foreign currency risk is being monitored closely on an ongoing basis to ensure that the Group’s exposure is at an acceptable level.

The Group will also from time to time look for more opportunities and when appropriate, implement the necessary changes, to include diversifying its income stream. The Group had been awarded managing contractor agreement in relation to the development project in Kemaman. This project will be able to deliver long-term sustainable value to shareholders.

The Management is aggressively taking steps to negotiate and source a few new business opportunities in relation to construction activities, which aims to strengthen the Group’s foothold on the construction sector in order to contribute positive prospects for the Group.

Notwithstanding the Group’s intention to diversify into the construction sector, the Group will continue to focus on the existing businesses. Nevertheless, the Group will, from time to time, review the business of our Group strategically, and where appropriate, implement the necessary changes to the corporate structure within, with a view to strengthen and grow our Group’s business. Management anticipates that the overall outlook for the Group’s performance for the current financial period will be challenging due to the uncertainties in the current economic condition.

**20. PROFIT FORECAST OR PROFIT GUARANTEE**

There was no profit forecast or guarantee made public for the current financial period under review.





**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**21. TAXATION**

The tax expense is as follows:

	<b>Current year quarter ended 30.9.2015 RM'000</b>	<b>Current year-to- date ended 30.9.2015 RM'000</b>
Current tax expense	88	88
Deferred tax expense	(17)	(17)
	<u>71</u>	<u>71</u>

The effective tax rate of the Group for the current quarter and current year-to-date is lower than the statutory tax rate principally due to certain subsidiaries were making losses in the current quarter and the tax payable is only applicable for certain profitable subsidiaries in the current quarter.

**22. CORPORATE PROPOSALS**

There was no corporate proposal as at 23 November 2015 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion.



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**23. UTILISATION OF PROCEEDS**

Private Placement

The Proposed Private Placement had completed on 29 April 2015 following the listing of and quotation for 9,500,000 new SGB Shares on the Main Market of Bursa Securities.

Description	Revised Proposed Utilisation <sup>^</sup> RM'000	Actual Utilisation as at 30.9.2015 RM'000	Revised Timeframe for Utilisation	Deviation RM'000	%	Explanation
Working capital	1,288	1,022	By 28 April 2016	266	20.65	*
Estimated expenses in relation to the Private Placement	98	98	By 28 May 2015	-	-	
Development project	3,602	2,000	By 29 July 2016	1,602	44.48	*
	<b>4,988</b>	<b>3,120</b>				

Notes:-

<sup>^</sup> The Company had on 30 July 2015 announced that the Board approved to re-allocate the balance of the proceeds raised from the private placement of approximately RM3.60 million as part of the funding for the development project's capital commitment in order to reduce its dependence on bank borrowings.

\* Pending utilisation



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**24. BORROWINGS AND DEBT SECURITIES**

The Group’s borrowings are as follows:

	<u>As at 30.9.2015</u>	<u>As at 30.6.2015</u>
	<u>RM'000</u>	<u>RM'000</u>
Current - unsecured		
Hire purchase payables	155	153
Non-current - unsecured		
Hire purchase payables	470	510
	<u>625</u>	<u>663</u>

**25. 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.

**26. PROPOSED DIVIDEND**

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



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**27. EARNINGS/(LOSS) PER SHARE**

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

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30.9.2015	Preceding year corresponding quarter ended 30.9.2014	Current year-to- date ended 30.9.2015	Preceding year corresponding period ended 30.9.2014
Profit/(Loss) attributable to Owners of the Company (RM'000)	275	(530)	275	(530)
Weighted average number of ordinary shares ('000)	104,500	95,000	104,500	95,000
Basic earnings/(loss) per share (sen)	0.26	(0.56)	0.26	(0.56)

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.



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**28. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**

	<b>Current year quarter 30.9.2015</b>	<b>Current year-to-date ended 30.9.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	2	2
Other income	22	22
Imputed interest expense	7	7
Interest expense	9	9
Amortisation	N/A	N/A
Depreciation of property, plant and equipment	212	212
Provision for and write off of receivables	- *	- *
Provision for and write off of inventories	N/A	N/A
Reversal of inventories written down	5	5
Plant and equipment written off	- *	- *
Gain or loss on disposal of quoted or unquoted investment	N/A	N/A
Gain on disposal of plant and equipment	N/A	N/A
Impairment of assets	N/A	N/A
Realised gain on foreign exchange	348	348
Unrealised gain on foreign exchange	588	588
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

*Note:-*

*\* - Amount less than RM1,000*



**SPRING GALLERY BERHAD (504718-U)**  
**(FORMERLY KNOWN AS PFCE BERHAD) (“SGB” OR “THE COMPANY”)**  
**QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 30 SEPTEMBER 2015**

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

**29. 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 Securities is as follows:-

	<b>As at 30.9.2015 RM'000</b>	<b>As at 30.6.2015 RM'000</b>
Total accumulated losses of the Group:		
- Realised	(12,701)	(12,989)
- Unrealised	(2,434)	(2,345)
	<u>(15,135)</u>	<u>(15,334)</u>
Less: Consolidation Adjustments	(13,690)	(13,766)
	<u>(28,825)</u>	<u>(29,100)</u>

**30. REVIEW BY EXTERNAL AUDITORS**

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of SGB for the current quarter and 3 months period ended 30 September 2015 in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the said condensed consolidated financial statements were not prepared, in all material respects, in accordance with MFRS 134 *Interim Financial Reporting*. The report was made to the Board in accordance to the terms of reference with the external auditors and for no other purpose.

**31. AUTHORISATION FOR ISSUE**

The interim financial report for the period under review is authorised and approved for issue and announcement to Bursa Securities by SGB’s Board in accordance with a resolution of the directors on 25 November 2015.

**By Order of the Board**  
Dated: 30 November 2015