

**PRICWORTH INTERNATIONAL BERHAD
(COMPANY No: 399292-V)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements
30 June 2013**

Ernst & Young
AF: 0039

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Audited financial statements and other financial information

DIRECTORS

Dato' Sri Chee Hong Leong (Chairman/Independent Non-Executive Director)
Lim Nyuk Foh (Executive Director/Managing Director)
Koo Jenn Man (Executive Director)
Kwan Tack Chiong (Independent Non-Executive Director)
Ooi Jit Huat (Independent Non-Executive Director)

SECRETARY

Katherine Chung Mei Ling (MAICSA 7007310)

INDEPENDENT AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Bank Kerjasama Rakyat Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad

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PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Directors' report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
(Loss)/profit net of tax	(57,274,263) =====	51,949 =====
(Loss)/profit attributable to:		
Owners of the parent	(56,941,210)	51,949
Non-controlling interests	(333,053) _____	- _____
	(57,274,263) =====	51,949 =====

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Directors' report

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Sri Chee Hong Leong

Lim Nyuk Foh

Koo Jenn Man

Kwan Tack Chiong

Ooi Jit Huat

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares or warrants or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

Warrants 2011/2016

The Warrants 2011/2016 are constituted by a Deed Poll dated 17 March 2011.

Each Warrant 2011/2016 entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 29 April 2011 to 28 April 2016 at an exercise price of RM0.50 per share or such adjusted price in accordance with the provisions in the Deed Poll. Any Warrants 2011/2016 not exercised at the date of maturity will lapse and cease to be valid for any purpose.

The ordinary shares issued from the exercise of Warrants 2011/2016 shall rank *pari passu* in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions or rights, the entitlement date of which is prior to the date of the allotment of the new shares arising from the exercise of Warrants 2011/2016.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Directors' report

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and warrants of the Company during the financial year were as follows:

Name of director	Number of ordinary shares of RM0.50 each			30.6.2013
	1.7.2012	Acquired	Sold	
Direct interest:				
Lim Nyuk Foh	53,258,611	-	(16,417,100)	36,841,511
Koo Jenn Man	510	-	-	510

Interest in warrants

Name of director	1.7.2012	Number of warrants 2011/2016			30.6.2013
		Acquired	Sold	Exercised	
Lim Nyuk Foh	26,629,305	-	(25,590,000)	-	1,039,305

Lim Nyuk Foh by virtue of his interest in shares and warrants in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations or warrants of the Company during the financial year.

Treasury shares

As at 30 June 2013, the Company held as treasury shares a total of 12,562,832 of its 186,278,118 issued ordinary shares. Such treasury shares are held at a carrying amount of RM10,324,612 and further relevant details are disclosed in Note 26 to the financial statements.

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

PRICEWORTH INTERNATIONAL BERHAD

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Directors' report

Other statutory information (continued)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to make a provision for doubtful debts in respect of the financial statements of the Group and of the Company or the amount written off for bad debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant Events

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 36 to the financial statements.

PRICWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Directors' report

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors on 29 October 2013.

Lim Nyuk Foh

Koo Jenn Man

Sandakan, Malaysia

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Lim Nyuk Foh and Koo Jenn Man, being two of the directors of Priceworth International Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 81 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors on 29 October 2013.

Lim Nyuk Foh

Koo Jenn Man

Sandakan, Malaysia

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Koo Jenn Man, being the director primarily responsible for the financial management of Priceworth International Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 82 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Koo Jenn Man
at Sandakan in the State of Sabah
on 29 October 2013

Koo Jenn Man

Before me –

HAMZAH HJ. ABDULLAH

Commissioner for Oaths

S 088

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Independent auditors' report to the members of
PRICEWORTH INTERNATIONAL BERHAD
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Priceworth International Berhad, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 81.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent auditors' report to the members of
PRICEMORE INTERNATIONAL BERHAD (continued)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

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Independent auditors' report to the members of
PRICWORTH INTERNATIONAL BERHAD (continued)
(Incorporated in Malaysia)

Other matters

The supplementary information set out in Note 38 on page 82 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Chong Ket Vui, Dusun
2944/01/15 (J)
Chartered Accountant

Sandakan, Malaysia
31 October 2013

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Statements of comprehensive income

For the financial year ended 30 June 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
Revenue	4	188,420,052	275,746,494	11,600,000	14,508,574
Cost of sales		<u>(205,473,101)</u>	<u>(222,215,861)</u>	-	-
Gross (loss)/profit		(17,053,049)	53,530,633	11,600,000	14,508,574
Other items of income					
Interest income	5	4,838	9,118	-	-
Other income	6	18,421,182	9,898,601	-	-
Other items of expense					
Other operating expenses	7	(17,321,200)	(470,058)	-	-
Administrative expenses		(20,305,206)	(22,261,839)	(1,205,369)	(2,652,627)
Selling expenses		(15,758,933)	(25,351,200)	-	-
Finance costs	8	<u>(20,115,981)</u>	<u>(21,026,252)</u>	<u>(10,342,682)</u>	<u>(11,716,647)</u>
(Loss)/profit before tax	9	(72,128,349)	(5,670,997)	51,949	139,300
Income tax expense	12	<u>14,854,086</u>	<u>7,219,739</u>	-	<u>59,003</u>
(Loss)/profit net of tax		(57,274,263)	1,548,742	51,949	198,303
Other comprehensive income/(loss)		<u>196,105</u>	<u>(199,131)</u>	-	-
Total comprehensive (loss)/income		<u><u>(57,078,158)</u></u>	<u><u>1,349,611</u></u>	<u><u>51,949</u></u>	<u><u>198,303</u></u>

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Statements of comprehensive income

For the financial year ended 30 June 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
Profit attributable to:					
Owners of the parent		(56,941,210)	1,544,423	51,949	198,303
Non-controlling interests		(333,053)	4,319	-	-
		<u>(57,274,263)</u>	<u>1,548,742</u>	<u>51,949</u>	<u>198,303</u>
Total comprehensive income attributable to:					
Owners of the parent		(56,745,105)	1,345,292	51,949	198,303
Non-controlling interests		(333,053)	4,319	-	-
		<u>(57,078,158)</u>	<u>1,349,611</u>	<u>51,949</u>	<u>198,303</u>
(Loss)/earnings per share attributable to owners of the parent (sen per share):					
Basic	13	<u>(33)</u>	<u>0.89</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Statements of financial position

As at 30 June 2013

	Note	Group		Company	
		2013	2012	2013	2012
		RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	14	338,739,378	374,838,778	11,101	19,615
Biological assets	15	21,189,886	14,975,274	-	-
Land use rights	16	4,763,279	4,834,817	-	-
Intangible assets	17	16,032,667	30,655,300	-	-
Investments in subsidiaries	18	-	-	284,341,920	289,341,920
Deferred tax assets	19	7,500,000	7,500,000	-	-
Prepayments	20	2,961,384	-	-	-
		<u>391,186,594</u>	<u>432,804,169</u>	<u>284,353,021</u>	<u>289,361,535</u>
Current assets					
Inventories	21	32,898,543	55,054,520	-	-
Income tax refundable		26,751	16,253	-	-
Trade and other receivables	22	36,089,356	51,167,734	3,668,375	3,046,953
Prepayments	20	2,265,737	2,832,417	-	-
Cash and bank balances	23	3,269,547	1,842,331	94,621	92,049
		<u>74,549,934</u>	<u>110,913,255</u>	<u>3,762,996</u>	<u>3,139,002</u>
Total assets		<u><u>465,736,528</u></u>	<u><u>543,717,424</u></u>	<u><u>288,116,017</u></u>	<u><u>292,500,537</u></u>
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	6,761,869	51,373,222	-	13,735,325
Trade and other payables	25	59,545,881	47,719,754	1,025,305	4,386,435
Income tax payable		381,661	962,832	-	-
		<u>66,689,411</u>	<u>100,055,808</u>	<u>1,025,305</u>	<u>18,121,760</u>
Net current assets/(liabilities)		<u>7,860,523</u>	<u>10,857,447</u>	<u>2,737,691</u>	<u>(14,982,758)</u>

PRICEWORTH INTERNATIONAL BERHAD

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Statements of financial position

As at 30 June 2013

		Group		Company	
	Note	2013	2012	2013	2012
		RM	RM	RM	RM
Non-current liabilities					
Loans and borrowings	24	168,176,805	140,852,233	138,254,472	125,594,486
Deferred tax liabilities	19	8,872,402	23,733,315	-	-
		<u>177,049,207</u>	<u>164,585,548</u>	<u>138,254,472</u>	<u>125,594,486</u>
Total liabilities		<u>243,738,618</u>	<u>264,641,356</u>	<u>139,279,777</u>	<u>143,716,246</u>
Net assets		<u>221,997,910</u>	<u>279,076,068</u>	<u>148,736,240</u>	<u>148,784,291</u>
Equity attributable to owners of the parent					
Share capital	26	93,139,059	93,139,059	93,139,059	93,139,059
Share premium	26	59,890,697	59,890,697	59,890,697	59,890,697
Treasury shares	26	(10,324,612)	(10,324,612)	(10,324,612)	(10,324,612)
Retained earnings	27	74,376,003	131,317,213	1,788,214	1,736,265
Other reserves	28	4,342,379	4,146,274	4,342,882	4,342,882
		<u>221,423,526</u>	<u>278,168,631</u>	<u>148,836,240</u>	<u>148,784,291</u>
Non-controlling interests		<u>574,384</u>	<u>907,437</u>	<u>-</u>	<u>-</u>
Total equity		<u>221,997,910</u>	<u>279,076,068</u>	<u>148,836,240</u>	<u>148,784,291</u>
Total equity and liabilities		<u><u>465,736,528</u></u>	<u><u>543,717,424</u></u>	<u><u>288,116,017</u></u>	<u><u>292,500,537</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Consolidated statement of changes in equity

For the financial year ended 30 June 2013

	Note	Equity, total RM	Equity attributable to owners of the parent, total RM	Attributable to owners of the parent				Non-Distributable		Non- controlling interests RM	
				Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Other reserves, total RM	Warrant reserve RM		Foreign currency translation reserve RM
2013											
Group											
Opening balance at 1 July 2012		279,076,068	278,168,631	93,139,059	59,890,697	(10,324,612)	131,317,213	4,146,274	4,342,882	(196,608)	907,437
Total comprehensive income		(57,078,158)	(56,745,105)	-	-	-	(56,941,210)	196,105	-	196,105	(333,053)
Closing balance at 30 June 2013		221,997,910	221,423,526	93,139,059	59,890,697	(10,324,612)	74,376,003	4,342,379	4,342,882	(503)	574,384

PRICEWORTH INTERNATIONAL BERHAD

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(Incorporated in Malaysia)

Consolidated statement of changes in equity

For the financial year ended 30 June 2013

Note	Equity, total RM	Equity attributable to owners of the parent, total RM	Attributable to owners of the parent					Non-Distributable		Non-controlling interests RM
			Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Other reserves, total RM	Warrant reserve RM	Foreign currency translation reserve RM	
2012										
Group										
Opening balance at 1 July 2011	278,081,457	277,178,339	93,139,059	59,890,697	(10,324,612)	130,127,790	4,345,405	4,342,882	2,523	903,118
Total comprehensive income	1,349,611	1,345,292	-	-	-	1,544,423	(199,131)	-	(199,131)	4,319
Transactions with owners										
Dividend on ordinary shares	(355,000)	(355,000)	-	-	-	(355,000)	-	-	-	-
Total transactions with owners	(355,000)	(355,000)	-	-	-	(355,000)	-	-	-	-
Closing balance at 30 June 2012	279,076,068	278,168,631	93,139,059	59,890,697	(10,324,612)	131,317,213	4,146,274	4,342,882	(196,608)	907,437

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Company statement of changes in equity

For the financial year ended 30 June 2013

	Note	Equity, total RM	Equity attributable to owners of the parent, total RM	← Non-distributable →			Distributable	Non- distributable
				Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Warrant reserve RM
2013								
Company								
Opening balance at 1 July 2012		148,784,291	148,784,291	93,139,059	59,890,697	(10,324,612)	1,736,265	4,342,882
Total comprehensive income		<u>51,949</u>	<u>51,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,949</u>	<u>-</u>
Closing balance at 30 June 2013		<u><u>148,836,240</u></u>	<u><u>148,836,240</u></u>	<u><u>93,139,059</u></u>	<u><u>59,890,697</u></u>	<u><u>(10,324,612)</u></u>	<u><u>1,788,214</u></u>	<u><u>4,342,882</u></u>
2012								
Company								
Opening balance at 1 July 2011		148,585,988	148,585,988	93,139,059	59,890,697	(10,324,612)	1,537,962	4,342,882
Total comprehensive income		<u>198,303</u>	<u>198,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,303</u>	<u>-</u>
Closing balance at 30 June 2012		<u><u>148,784,291</u></u>	<u><u>148,784,291</u></u>	<u><u>93,139,059</u></u>	<u><u>59,890,697</u></u>	<u><u>(10,324,612)</u></u>	<u><u>1,736,265</u></u>	<u><u>4,342,882</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Statements of cash flows

For the financial year ended 30 June 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Operating activities					
(Loss)/profit before tax		(72,128,349)	(5,670,997)	51,949	139,300
<u>Adjustments for:</u>					
Amortisation of land use rights	9	71,538	71,536	-	-
Amortisation of timber rights	9	14,622,633	10,334,069	-	-
Biological assets written off	9	-	53,721	-	-
Depreciation of property, plant and equipment	9	40,923,018	41,113,466	8,514	48,803
Impairment loss on aircraft	9	1,700,000	-	-	-
Impairment loss on other receivables	9	53,907	-	-	-
Property, plant and equipment scrapped	9	1,671	4,916	-	-
Net gain on disposal of property, plant and equipment	6	(14,368,000)	(494,799)	-	-
Unrealised gain on foreign exchange		(537,761)	(58,985)	-	-
Interest income	5	(4,838)	(9,118)	-	-
Interest expense	8	20,115,981	21,026,252	10,342,682	11,716,647
Total adjustments		<u>62,578,149</u>	<u>72,041,058</u>	<u>10,351,196</u>	<u>11,765,450</u>
Operating cash flows before changes in working capital		<u>(9,550,200)</u>	<u>66,370,061</u>	<u>10,403,145</u>	<u>11,904,750</u>
<u>Changes in working capital</u>					
Decrease in inventories		22,155,977	11,271,134	-	-
Decrease/(increase) in receivables		15,024,471	9,647,071	(621,422)	8,192,129
(Increase)/decrease in prepaid operating expenses		(2,394,704)	6,789,860	-	634,495
Increase/(decrease) in payables		8,924,578	(14,879,182)	(4,115,062)	3,801,571
Total changes in working capital		<u>43,710,322</u>	<u>12,828,883</u>	<u>(4,736,484)</u>	<u>12,628,195</u>
Cash flows from operations		34,160,122	79,198,944	5,666,661	24,532,945
Interest paid		(16,676,672)	(20,093,962)	(9,588,750)	(11,716,647)
Income taxes refunded		16,351	25,002	-	-
Income taxes paid		(614,846)	(1,527,022)	-	-
Net cash flows from/(used in) operating activities		<u>16,884,955</u>	<u>57,602,962</u>	<u>(3,922,089)</u>	<u>12,816,298</u>

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

(Incorporated in Malaysia)

Statements of cash flows

For the financial year ended 30 June 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Investing activities					
Repayment from a subsidiary company		-	-	5,000,000	-
Additional investment in a subsidiary company		-	-		(4,000,000)
Addition of land use rights		-	(52,279)	-	-
Purchase of property, plant and equipment	14	(23,380,810)	(46,808,809)	-	-
Payment for forest planting expenditure	15	(5,866,181)	(6,414,631)	-	-
Proceeds from disposal of property, plant and equipment		30,875,090	6,128,462	-	-
Interest received		4,838	9,118	-	-
Net cash flows from/(used in) investing activities		<u>1,632,937</u>	<u>(47,138,139)</u>	<u>5,000,000</u>	<u>(4,000,000)</u>
Financing activities					
Dividend paid		-	(355,000)	-	-
Proceeds from term loans		1,164,071	8,085,460	-	-
Repayment of loans and borrowings		(18,190,402)	(24,131,878)	(1,075,339)	(8,869,754)
Net cash flows used in financing activities		<u>(17,026,331)</u>	<u>(16,401,418)</u>	<u>(1,075,339)</u>	<u>(8,869,754)</u>
Net increase/(decrease) in cash and cash equivalents		1,491,561	(5,936,595)	2,572	(53,456)
Effect of exchange rate changes on cash and cash equivalents		196,105	(199,131)	-	-
Cash and cash equivalents at beginning of year		<u>1,581,881</u>	<u>7,717,607</u>	<u>92,049</u>	<u>145,505</u>
Cash and cash equivalents at end of year	23	<u><u>3,269,547</u></u>	<u><u>1,581,881</u></u>	<u><u>94,621</u></u>	<u><u>92,049</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements

For the financial year ended 30 June 2013

1. Corporate information

Priceworth International Berhad (the Company) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 1st Floor, Lot 5, Block No. 4, Bandar Indah, Mile 4, Jalan Utara, 90000 Sandakan, Sabah.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2012 as described fully in Note 2.2.

The financial statements have been prepared on a historical basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2012, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124: Related Party Disclosures	1 January 2012
Amendments to FRS 9 (IFRS 9(2009), FRS 9 (IFRS 9(2010)), and FRS 7 - Mandatory Effective Date of FRS 9 and Transition Disclosures	1 March 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company.

Notes to the financial statementsFor the financial year ended 30 June 2013

2. Summary of significant accounting policies (continued)**2.3 Standards issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2013
Amendments to FRS 7: Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of interests in Other Entities: Transition Guidance	1 January 2013
Improvements to FRS issued in 2012	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
FRS 9: Financial Instruments	1 January 2015

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127: Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127: Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

Based on the preliminary analyses performed, FRS 10 is not expected to have any impact on the currently held investments in the Group.

FRS 12: Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group’s financial position or performance.

FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group’s financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including the parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer the adoption of the new MFRS for additional three years. Consequently, the adoption of the MFRS Framework by the Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

As one of the subsidiaries of the Group falls within the scope of Transitioning Entities, the Group will adopt the MFRS Framework for the financial year beginning 1 July 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2013 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2016.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.9(a). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (continued)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.6 Foreign currency

a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. Summary of significant accounting policies (continued)

2.6 Foreign currency (continued)

c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The leasehold land and buildings of the Group have not been revalued since they were first revalued in 1996. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standard 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1996 valuation less accumulated depreciation and impairment losses.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

2. Summary of significant accounting policies (continued)

2.7 Property, plant and equipment (continued)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Long term leasehold land	Over remaining lease term of land
Buildings	2% - 10%
Heavy equipment, motor vehicles and motor launches	10% - 20%
Plant and machinery	7%
Furniture, fittings and equipment	10% - 33 1/3%
Aircraft	10%
Tug boat and scow	10%
Camp infrastructure	15%

Assets under constructions included in plant and equipment are not depreciated as these assets are not available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Biological assets

Forest planting expenditure

All direct and related expenses incurred on the development of the Group's Sustainable Forest Management Project under a Sustainable Forest Management Licence Agreement with the State Government of Sabah is stated at cost and capitalised as biological assets. The expenditure will be amortised upon commencement of log extraction on the basis of the volume of logs extracted during the financial year as a proportion of the estimated volume available.

2. Summary of significant accounting policies (continued)

2.9 Intangible assets

a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

b) Timber rights

This represents the exclusive rights of one subsidiary to extract and purchase all commercial timber logs extractable from a designated timber concession area.

Timber rights are stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

The timber rights are amortised on the basis of the volume of timber logs extracted during the financial year as a proportion of the total volume of timber logs extractable over the remaining period from the timber concession area.

2. Summary of significant accounting policies (continued)

2.10 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGU)).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2. Summary of significant accounting policies (continued)

2.12 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. Summary of significant accounting policies (continued)

2.14 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. Summary of significant accounting policies (continued)

2.16 Inventories

Inventories are stated at lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in, first-out basis.
- Finished goods and work-in-progress: cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Government grants

Grants are recognised initially at their fair value in the balance sheet as a deduction in arriving at the carrying value of the assets where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as a deduction in arriving at the carrying value of the assets.

2. Summary of significant accounting policies (continued)

2.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.22 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

2. Summary of significant accounting policies (continued)

2.23 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

i) Sale of goods

Revenue from sale of goods is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

ii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

iii) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

2.24 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (continued)

2.24 Income taxes (continued)

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2. Summary of significant accounting policies (continued)

2.24 Income tax (continued)

b) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2. Summary of significant accounting policies (continued)

2.27 Warrants reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. Significant accounting estimates

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 15 years. These are common life expectancies applied in timber operation. Changes in the expected level of usage could impact the economic useful lives and the residual value of these assets, therefore further depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 14. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 3% (2012: 113%) variance in the Group's (loss)/profit for the year.

3. Significant accounting estimates (continued)

Key sources of estimation uncertainty (continued)

b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 17.

c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

During the last financial year, a subsidiary of the Group has recognised RM30,685,085 of unrecognised tax losses on 30 June 2011 as management considered that it is probable that taxable profits will be available against which the losses can be utilised.

The carrying value of deferred tax assets of the Group at 30 June 2013 was RM187,733,402 (2012: RM131,225,205) and recognised tax losses, capital and reinvestment allowances at 30 June 2013 was RM159,027,784 (2012: RM125,722,044) and the unrecognised tax losses at 30 June 2013 was RM28,705,618 (2012: RM5,503,161).

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For the financial year ended 30 June 2013

4. Revenue

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Sale of processed wood products	135,357,863	213,151,277	-	-
Sale of logs	23,015,565	30,561,926	-	-
Contract fees	22,974,205	28,994,308	-	-
Road tolls	1,657,182	2,330,406	-	-
Barge hire income	227,714	708,577	-	-
Gross dividend from a subsidiary	-	-	11,600,000	14,508,574
Services income	5,187,523	-	-	-
	<u>188,420,052</u>	<u>275,746,494</u>	<u>11,600,000</u>	<u>14,508,574</u>

5. Interest income

Interest income from:

Deposits with licensed banks	-	4,077	-	-
Repos	4,838	5,041	-	-
	<u>4,838</u>	<u>9,118</u>	<u>-</u>	<u>-</u>

6. Other income

Net gain on disposal of property, plant and equipment	14,368,000	494,799	-	-
Gain on foreign exchange	584,505	1,475,890	-	-
Gate pass income	494,290	437,163	-	-
Insurance claim	236,087	1,692,937	-	-
Rental income	610,912	879,836	-	-
Miscellaneous income	877,849	2,279,059	-	-
Sale of scrap iron	49,109	292,838	-	-
Sale of saw dust	1,169,335	2,346,079	-	-
Handling charges	31,095	-	-	-
	<u>18,421,182</u>	<u>9,898,601</u>	<u>-</u>	<u>-</u>

7. Other operating expenses

Amortisation of timber rights (Note 17)	9,374,986	-	-	-
Backpayment of royalty	1,334,461	-	-	-
Depreciation of property, plant and equipment (Note 14)	4,616,553	-	-	-
Impairment loss on aircraft	1,700,000	-	-	-
Loss on foreign exchange	82,752	427,893	-	-
Sundry expenses	212,448	42,165	-	-
	<u>17,321,200</u>	<u>470,058</u>	<u>-</u>	<u>-</u>

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8. Finance costs

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Interest expense on:				
Bank loans	10,342,682	11,716,647	10,342,682	11,716,647
Obligations under finance leases	4,582,369	6,294,235	-	-
Others	5,190,930	3,015,370	-	-
	<u>20,115,981</u>	<u>21,026,252</u>	<u>10,342,682</u>	<u>11,716,647</u>

9. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Employee benefits expense (Note 10)	27,573,127	34,746,038	139,079	279,705
Non-executive directors' remuneration (Note 11)	114,000	252,000	114,000	252,000
Auditors' remuneration:				
- statutory audits				
- current year	180,500	160,300	55,000	50,000
- under/(over)provided in prior years	900	(26,840)	-	(6,000)
- other services	119,500	51,500	9,000	9,000
Amortisation of timber rights (Note 17)	5,247,647	10,334,069	-	-
Depreciation of property, plant and equipment (Note 14)	40,923,018	41,113,466	8,514	48,803
Amortisation of land use rights (Note 16)	71,538	71,536	-	-
Impairment loss on other receivables	53,907	-	-	-
Biological assets written off	-	53,721	-	-
Hire of equipment	27,403	-	-	-
Impairment loss on aircraft (Note 14)	1,700,000	-	-	-
Rental expenses	626,236	461,629	-	-
Property, plant and equipment scrapped	<u>1,671</u>	<u>4,916</u>	<u>-</u>	<u>-</u>

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10. Employee benefits expense

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Wages and salaries	27,050,558	33,814,642	123,099	246,600
Social security contributions	119,308	150,917	1,365	1,670
Contributions to defined contribution plan	<u>1,075,002</u>	<u>1,229,457</u>	<u>14,615</u>	<u>31,435</u>
	28,244,868	35,195,016	139,079	279,705
Capitalised in biological assets (Note 15)	<u>(671,741)</u>	<u>(448,978)</u>	-	-
Recognised in statements of comprehensive income (Note 9)	<u>27,573,127</u>	<u>34,746,038</u>	<u>139,079</u>	<u>279,705</u>

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM692,851 (2012: RM800,250) and RM62,100 (2012: RM66,800) respectively.

11. Directors' remuneration

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive:				
Salaries and other emoluments	651,101	666,330	62,100	66,800
Bonus	-	92,400	-	-
Defined contribution plan	<u>41,750</u>	<u>41,520</u>	<u>-</u>	<u>-</u>
Total executive directors' remuneration	<u>692,851</u>	<u>800,250</u>	<u>62,100</u>	<u>66,800</u>
Non-Executive:				
Fees	108,000	225,600	108,000	225,600
Other emoluments	<u>6,000</u>	<u>26,400</u>	<u>6,000</u>	<u>26,400</u>
Total non-executive directors' remuneration (Note 9)	<u>114,000</u>	<u>252,000</u>	<u>114,000</u>	<u>252,000</u>
Total directors' remuneration	<u>806,851</u>	<u>1,052,250</u>	<u>176,100</u>	<u>318,800</u>

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11. Directors' remuneration (continued)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2013	2012
Executive directors:		
RM100,001 to RM150,000	1	1
RM400,001 to RM450,000	1	-
RM500,001 to RM550,000	-	1
Non-executive directors:		
Below RM50,000	3	3
RM100,001 to RM150,000	-	1

12. Income tax expense**Major components of income tax expense**

The major components of income tax expense for the years ended 30 June 2013 and 2012 are:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	5,500	121,745	-	-
- Under/(over)provision in respect of previous years	1,327	(17,536)	-	(59,003)
	<u>6,827</u>	<u>104,209</u>	<u>-</u>	<u>(59,003)</u>
Deferred income tax (Note 19):				
- Reversal of temporary differences	(11,982,895)	(7,625,788)	-	-
- (Over)/underprovision in respect of previous years	(2,878,018)	301,840	-	-
	<u>(14,860,913)</u>	<u>(7,323,948)</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>(14,854,086)</u>	<u>(7,219,739)</u>	<u>-</u>	<u>(59,003)</u>

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12. Income tax expense (continued)**Reconciliation between tax expense and accounting profit**

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 30 June 2013 and 2012 are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
(Loss)/profit before tax	<u>(72,128,349)</u>	<u>(5,670,997)</u>	<u>51,949</u>	<u>139,300</u>
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	(18,032,087)	(1,417,749)	12,987	34,825
Adjustments:				
Income not subject to taxation	(4,433,760)	(501,390)	(2,900,000)	(3,627,144)
Non-deductible expenses	6,032,944	5,639,695	2,887,013	3,592,319
Benefits from previously unrecognised tax losses and unabsorbed reinvestment allowances	(665,669)	(11,227,107)	-	-
Deferred tax assets not recognised	5,121,177	2,508	-	-
(Over)/underprovision of deferred tax in respect of previous years	(2,878,018)	301,840	-	-
Under/(over)provision of income tax in respect of previous years	<u>1,327</u>	<u>(17,536)</u>	<u>-</u>	<u>(59,003)</u>
	<u>(14,854,086)</u>	<u>(7,219,739)</u>	<u>-</u>	<u>(59,003)</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable (loss)/profit for the year.

Tax savings during the financial year arising from:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Utilisation of current year tax losses	24,223	-	-	-
Utilisation of previously unrecognised tax losses and unabsorbed reinvestment allowances	<u>1,294,847</u>	<u>27,333</u>	<u>-</u>	<u>-</u>

13. (Loss)/earnings per share

a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 30 June:

	2013	2012
	RM	RM
(Loss)/profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	<u>(56,941,210)</u>	<u>1,544,423</u>
Weighted average number of ordinary shares for basic earnings per share computation	<u>173,715,286</u>	<u>173,715,286</u>
Basic (loss)/earnings per share for the year (sen)	<u> (33)</u>	<u> 0.89</u>

b) Diluted

Warrants were anti-dilutive and hence the diluted (loss)/earnings per share was not calculated for the financial year.

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14. Property, plant and equipment

Group	Long term leasehold land RM	Buildings RM	Heavy equipment, motor vehicles and motor launches RM	Plant and machinery RM	Furniture, fittings and equipment RM	Aircraft RM	Tug boat and scow RM	Camp infrastructure and slipway RM	Assets under construction RM	Total RM
Cost										
At 1 July 2011	32,394,799	112,631,060	178,534,516	213,471,452	10,309,875	16,433,565	5,494,548	26,910,147	8,538,972	604,718,934
Additions	476,507	7,724	17,511,052	158,364	1,028,869	-	4,803,508	14,100,906	8,721,879	46,808,809
Disposals	-	-	(15,204,039)	(3)	(2,000)	-	-	-	-	(15,206,042)
Scrapped	-	(2,108,975)	-	(6,960)	-	-	-	-	-	(2,115,935)
Reclassifications	-	282,868	30,674	652,868	-	-	(16,323)	-	(950,087)	-
At 30 June 2012	32,871,306	110,812,677	180,872,203	214,275,721	11,336,744	16,433,565	10,281,733	41,011,053	16,310,764	634,205,766
Representing:										
At cost	10,224,202	85,137,275	180,872,203	214,275,721	11,336,744	16,433,565	10,281,733	41,011,053	16,310,764	585,883,260
At valuation	22,647,104	25,675,402	-	-	-	-	-	-	-	48,322,506
At 30 June 2012	32,871,306	110,812,677	180,872,203	214,275,721	11,336,744	16,433,565	10,281,733	41,011,053	16,310,764	634,205,766

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14. Property, plant and equipment (continued)

Group	Long term leasehold land RM	Buildings RM	Heavy equipment, motor vehicles and motor launches RM	Plant and machinery RM	Furniture, fittings and equipment RM	Aircraft RM	Tug boat and scow RM	Camp infrastructure and slipway RM	Assets under construction RM	Total RM
Cost										
At 1 July 2012	32,871,306	110,812,677	180,872,203	214,275,721	11,336,744	16,433,565	10,281,733	41,011,053	16,310,764	634,205,766
Additions	1,759,815	458,446	6,107,368	790,453	290,847	-	284,479	3,972,018	9,717,384	23,380,810
Disposals	-	-	(28,300,553)	(6,768,415)	(65,610)	-	(5,548,813)	(1,417,347)	(1,012,631)	(43,113,369)
Scrapped	-	(3,000)	-	(3,200)	(13,810)	-	-	-	-	(20,010)
Reclassifications	-	995,454	4,634,176	5,231,176	-	-	283,731	1,998,764	(13,143,301)	-
Foreign exchange	24,152	5,518	(350,689)	1,323	(20,205)	-	-	29,268	(1,985)	(312,618)
Revenue expenditure recognised in income statement	-	-	-	-	-	-	-	-	(153,827)	(153,827)
At 30 June 2013	34,655,273	112,269,095	162,962,505	213,527,058	11,527,966	16,433,565	5,301,130	45,593,756	11,716,404	613,986,752
Representing:										
At cost	12,008,169	86,593,693	162,962,505	213,527,058	11,527,966	16,433,565	5,301,130	45,593,756	11,716,404	565,664,246
At valuation	22,647,104	25,675,402	-	-	-	-	-	-	-	48,322,506
At 30 June 2013	34,655,273	112,269,095	162,962,505	213,527,058	11,527,966	16,433,565	5,301,130	45,593,756	11,716,404	613,986,752

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14. Property, plant and equipment (continued)

Group	Long term leasehold land RM	Buildings RM	Heavy equipment, motor vehicles and motor launches RM	Plant and machinery RM	Furniture, fittings and equipment RM	Aircraft RM	Tug boat and scow RM	Camp infrastructure and slipway RM	Assets under construction RM	Total RM
Accumulated depreciation and impairment losses										
At 1 July 2011	1,726,023	15,304,621	98,972,050	80,824,014	7,650,246	6,049,105	262,970	18,886,955	-	229,675,984
Depreciation charge for the year	710,999	2,548,928	17,195,867	13,441,720	747,150	1,643,356	1,257,824	3,828,558	-	41,374,402
Disposals	-	-	(9,572,379)	-	-	-	-	-	-	(9,572,379)
Scrapped	-	(2,108,971)	-	(2,048)	-	-	-	-	-	(2,111,019)
At 30 June 2012 and 1 July 2012	2,437,022	15,744,578	106,595,538	94,263,686	8,397,396	7,692,461	1,520,794	22,715,513	-	259,366,988
Depreciation charge for the year	537,344	2,534,294	16,839,061	13,397,860	778,980	1,643,356	805,595	4,734,956	-	41,271,446
Disposals	-	-	(22,876,248)	(2,286,401)	(54,610)	-	(754,561)	(1,102,380)	-	(27,074,200)
Scrapped	-	(2,998)	-	(1,576)	(13,765)	-	-	-	-	(18,339)
Foreign exchange	(210)	(35)	1,136	(43)	(3,581)	-	-	4,212	-	1,479
Impairment loss	-	-	-	-	-	1,700,000	-	-	-	1,700,000
At 30 June 2013	2,974,156	18,275,839	100,559,487	105,373,526	9,104,420	11,035,817	1,571,828	26,352,301	-	275,247,374

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14. Property, plant and equipment (continued)

Group	Long term leasehold land RM	Buildings RM	Heavy equipment, motor vehicles and motor launches RM	Plant and machinery RM	Furniture, fittings and equipment RM	Aircraft RM	Tug boat and scow RM	Camp infrastructure and slipway RM	Assets under construction RM	Total RM
Net carrying amount										
At cost	9,030,781	87,635,996	74,276,665	120,012,035	2,939,348	8,741,104	8,760,939	18,295,540	16,310,764	346,003,172
At valuation	21,403,503	7,432,103	-	-	-	-	-	-	-	28,835,606
At 30 June 2012	30,434,284	95,068,099	74,276,665	120,012,035	2,939,348	8,741,104	8,760,939	18,295,540	16,310,764	374,838,778
At cost	10,604,231	86,606,396	62,403,018	108,153,532	2,423,546	5,397,748	3,729,302	19,241,455	11,716,404	310,723,072
At valuation	21,076,886	7,386,860	-	-	-	-	-	-	-	28,463,746
At 30 June 2013	31,681,117	93,993,256	62,403,018	108,153,532	2,423,546	5,397,748	3,729,302	19,241,455	11,716,404	338,739,378

14. Property, plant and equipment (continued)

Company	Motor vehicles RM	Furniture, fittings and equipment RM	Assets under construction RM	Total RM
Cost				
At 1 July 2011 and 30 June 2012	348,600	234,742	-	583,342
At 1 July 2012 and 30 June 2013	348,600	234,742	-	583,342
Accumulated depreciation				
At 1 July 2011	313,740	201,184	-	514,924
Depreciation charge for the year (Note 9)	34,859	13,944	-	48,803
At 30 June 2012 and 1 July 2012	348,599	215,128	-	563,727
Depreciation charge for the year (Note 9)	-	8,514	-	8,514
At 30 June 2013	348,599	223,642	-	572,241
Net carrying amount				
At 30 June 2012	1	19,614	-	19,615
At 30 June 2013	1	11,100	-	11,101

Assets under construction

The Group's assets under construction represent expenditure for buildings, plant and machinery under construction.

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For the financial year ended 30 June 2013

14. Property, plant and equipment (continued)

Depreciation charge for the year is recognised as follows:

	2013	Group
	RM	2012
		RM
Charged to statements of comprehensive income under (Note 9):		
Cost of sales	36,306,465	41,113,466
Other operating expenses	4,616,553	-
	<u>40,923,018</u>	<u>41,113,466</u>
Capitalised under biological assets (Note 15(ii))	348,428	260,936
	<u>41,271,446</u>	<u>41,374,402</u>
	=====	=====

Revaluation of buildings

The leasehold land and buildings in certain subsidiaries were revalued in 1996 by C. H. Williams Talhar & Wong (Sabah) Sdn. Bhd.. Valuation was made on the basis of open market values on existing use basis.

If the buildings were measured using the cost model, the net carrying amount would have been RM10,672,176 (2012: RM10,874,802).

Long term leasehold land of the Group has not been revalued since it was first revalued in 1996. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1996 valuation less accumulated depreciation.

Assets held under finance leases

The carrying amount of property, plant and equipment held under finance leases at the reporting date were as follows:

	2013	Group
	RM	2012
		RM
Buildings	801,031	819,058
Heavy equipment	1,069,147	23,756,276
Plant and machinery	54,624,600	61,702,078
Aircraft	-	8,741,104
	<u>56,494,778</u>	<u>95,018,516</u>
	=====	=====

Assets pledged as security

In addition to assets held under finance leases, the Group's property, plant and equipment with a carrying amount of RM52,543,837 (2012: RM55,800,793) are mortgaged to secure the Group's bank loans (Note 24).

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15. Biological assets**Forest planting expenditure**

	Group RM
Cost	
At 1 July 2011	8,353,428
Additions	8,532,133
Written off	(53,721)
Government grant	<u>(1,856,566)</u>
At 30 June 2012	14,975,274
Additions	6,364,472
Government grant	<u>(149,860)</u>
At 30 June 2013	<u><u>21,189,886</u></u>

- i) The forest planting expenditure is in respect of expenditure incurred on the development of the Group's sustainable Forest Management Project of 1,798 hectares of timber land under a sustainable Forest Management License Agreement with the State Government of Sabah at Pinangah Forest Reserve with 50 years concession.
- ii) The Group has been granted a loan of RM13,232,000 for the purpose of development of forest plantation by the Forest Plantation Development Sdn. Bhd.(FPD) at an interest rate of 3% per annum. FPD is a special purpose vehicle incorporated by Malaysian Timber Industry Board (Incorporation) Act 1973 for managing funds allocated by the Government of Malaysia for the implementation of forest plantation development programme. The benefit of a government loan at a below-market rate of interest is treated as a government grant. The amount of the loan drawn down during the financial year was RM782,610 (2012: RM7,972,939). The difference between the initial carrying amount of the loan determined in accordance with FRS 139 and the proceeds of the loan received of RM149,860 (2012: RM1,856,566) has been deducted against the carrying amount of the biological assets.
- iii) Biological assets expenditure capitalised during the financial year were as follows:

	2013 RM	2012 RM
Depreciation of property, plant and equipment (Note 14)	348,428	260,936
Staff costs (Note 10)	671,741	448,978
Interest on bank loan	<u>132,491</u>	<u>233,461</u>

16. Land use rights

	2013	Group
	RM	2012
		RM
Cost:		
At beginning of year	5,114,634	5,062,355
Additions	-	52,279
At end of year	<u>5,114,634</u>	<u>5,114,634</u>
Accumulated depreciation:		
At beginning of year	279,817	208,281
Amortisation for the year (Note 9)	71,538	71,536
At end of year	<u>351,355</u>	<u>279,817</u>
Net carrying amount	<u>4,763,279</u>	<u>4,834,817</u>
Amount to be amortised:		
- Not later than one year	71,538	71,536
- Later than one year but not later than five years	286,152	286,144
- Later than five years	4,405,589	4,477,137
	<u>4,763,279</u>	<u>4,834,817</u>

Leasehold land of the Group has been pledged as part of the securities for borrowings granted to the Company as disclosed in Note 24 to the financial statements.

17. Intangible assets

	Goodwill RM	Timber rights RM	Total RM
Group			
Cost			
At 1 July 2011 and 30 June 2013	<u>20,323,572</u>	<u>30,232,223</u>	<u>50,555,795</u>
Accumulated amortisation			
At 1 July 2011	5,155,905	4,410,521	9,566,426
Amortisation for the year (Note 9)	-	10,334,069	10,334,069
At 30 June 2012	<u>5,155,905</u>	<u>14,744,590</u>	<u>19,900,495</u>
Amortisation for the year (Note 9)	-	14,622,633	14,622,633
At 30 June 2013	<u>5,155,905</u>	<u>29,367,223</u>	<u>34,523,128</u>
Net carrying amount			
At 30 June 2012	<u>15,167,667</u>	<u>15,487,633</u>	<u>30,655,300</u>
At 30 June 2013	<u>15,167,667</u>	<u>865,000</u>	<u>16,032,667</u>

Amortisation for the year is recognised as follows:

	2013 RM	Group 2012 RM
Charged to statements of comprehensive income under (Note 9):		
Cost of sales	5,247,647	10,334,069
Other operating expenses	9,374,986	-
	<u>14,622,633</u>	<u>10,334,069</u>

Timber rights of the Group have been pledged to bank as part of the security for borrowings granted to the Company as disclosed in Note 24 to the financial statements.

17. Intangible assets (continued)

Impairment test of goodwill

Allocation of goodwill

Goodwill is related to timber operation.

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rates stated below. The key assumptions used for value-in-use calculations are:

	Growth rate		Discount rate	
	2013	2012	2013	2012
	%	%	%	%
Timber operation	<u>6.4</u>	<u>6.4</u>	<u>13.7</u>	<u>12.2</u>

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

i) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate for the industry.

ii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the industry.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the timber operation, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts, save as discussed below:

Sales and logs/timber supply assumptions

The management recognises that any significant changes in the market selling price for its timber products and logs/timber supply can have a significant impact on the sales and logs/timber supply assumptions made in the projections.

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18. Investment in subsidiaries

	Company	
	2013	2012
	RM	RM
Unquoted shares at cost:		
At beginning of year	164,341,920	160,341,920
Acquisition during the year	-	4,000,000
At end of year	164,341,920	164,341,920
Amounts due from subsidiary companies	120,000,000	125,000,000
	<u>284,341,920</u>	<u>289,341,920</u>

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2013	2012
Held by the Company:				
Priceworth Industries Sdn. Bhd.	Malaysia	Manufacture and sale of processed wood products, trading of logs and provision of wood processing services	100	100
Maxland Shipyard Sdn. Bhd.	Malaysia	Operation of shipyard	100	100
Cergas Kenari Sdn. Bhd.	Malaysia	Timber extraction and trading of logs	100	100
Sinora Sdn. Bhd.	Malaysia	Manufacture and sale of plywood and sawn timber and trading of logs	100	100
Innora Sdn. Bhd.	Malaysia	Manufacture and sale of moulded wood products and trading of logs	100	100
Maju Sinar Network Sdn. Bhd.	Malaysia	Timber extraction and trading of logs	100	100

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18. Investment in subsidiaries (continued)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2013	2012
Held through Priceworth Industries Sdn. Bhd.				
Maxland Sdn. Bhd.	Malaysia	Timber extraction and forest planting	100	100
Cabaran Cerdas Sdn. Bhd.	Malaysia	Investment holding	100	100
Rimbunan Gagah Sdn. Bhd.	Malaysia	Manufacture and sale of processed wood products	64.5	64.5
Held through Cabaran Cerdas Sdn. Bhd.				
Maxland (SI) Limited *	Solomon Islands	Extraction and sale of logs and hire of barges	100	100
PWP (SI) Limited *	Solomon Islands	Trading of logs	100	100
Ligreen (SI) Limited *	Solomon Islands	Extraction and sale of logs	100	100
Priceworth Sawmill (SI) Limited *	Solomon Islands	Manufacture and sale of processed wood products	100	100
Held through Maxland Sdn. Bhd.				
Ligreen (PNG) Limited *	Papua New Guinea	Dormant	100	100

* Audited by Ernst & Young, Malaysia for consolidation purposes.

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19. Deferred tax

Deferred income tax of the Group as at 30 June relates to the following:

	As at 1 July 2011	Recognised in income statement (Note 12)	As at 30 June 2012	Recognised in income statement (Note 12)	As at 30 June 2013
	RM	RM	RM	RM	RM
Deferred tax liabilities:					
Timber rights	6,463,804	(2,309,954)	4,153,850	(3,655,659)	498,191
Property, plant and equipment	42,147,423	(1,632,329)	40,515,094	(2,244,978)	38,270,116
Land use rights	3,122,128	(53,654)	3,068,474	(707,433)	2,361,041
Inventories	-	(73,592)	(73,592)	73,592	-
	51,733,355	(4,069,529)	47,663,826	(6,534,478)	41,129,348
Deferred tax assets:					
Unabsorbed tax losses and capital allowances	(13,783,499)	(11,453,684)	(25,237,183)	(9,208,138)	(34,445,321)
Unabsorbed reinvestment allowances	(14,392,593)	8,199,265	(6,193,328)	881,703	(5,311,625)
	(28,176,092)	(3,254,419)	(31,430,511)	(8,326,435)	(39,756,946)
	23,557,263	(7,323,948)	16,233,315	(14,860,913)	1,372,402

	Group	
	2013	2012
	RM	RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	7,500,000	7,500,000
Deferred tax liabilities	8,872,402	23,733,315
	<u>1,372,402</u>	<u>16,233,315</u>

Unrecognised tax losses and unabsorbed capital and reinvestment allowances

At the reporting date, the Group has tax losses and unabsorbed capital and reinvestment allowances of approximately RM28,705,618 (2012: RM5,503,161) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses and unabsorbed capital and reinvestment allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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20. Prepayments

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Prepaid expenses	2,265,737	2,832,417	-	-
Non-current				
Prepayment for acquisition of timber rights	2,961,384	-	-	-
	<u>5,227,121</u>	<u>2,832,417</u>	<u>-</u>	<u>-</u>

21. Inventories

	Group	
	2013 RM	2012 RM
Cost		
Consumable goods	6,077,249	5,249,308
Finished goods	7,710,043	11,555,438
Goods in transit	52,675	-
Logging contract work-in-progress	8,486,100	23,980,510
Nursery	503,995	413,005
Packing materials	28,498	-
Production supplies	5,371,108	5,578,748
Raw materials	3,914,755	5,794,777
Timber logs	-	1,471,872
Trading inventories	221,759	390,286
Work-in-progress	438,782	565,115
	<u>32,804,964</u>	<u>54,999,059</u>
Net realisable value		
Finished goods	<u>93,579</u>	<u>55,461</u>
	<u>32,898,543</u>	<u>55,054,520</u>

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22. Trade and other receivables

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current				
Trade receivables				
Amount due from a company in which a director of the Company is also a director and has financial interest	1,194,705	85,301	-	-
Amount due from a company in which a close family member of a director of the Company is a director and has financial interests	135,554	6,000	-	-
Third parties	9,168,061	28,362,462	-	-
	<u>10,498,320</u>	<u>28,453,763</u>	<u>-</u>	<u>-</u>
Other receivables				
Amount due from subsidiary companies	-	-	3,469,124	2,919,660
Deposits for log supplies	-	9,077,454	-	-
Other deposits	2,105,204	1,850,772	137,454	50,298
Sundry receivables	23,485,832	11,785,745	61,797	76,995
	<u>25,591,036</u>	<u>22,713,971</u>	<u>3,668,375</u>	<u>3,046,953</u>
Total trade and other receivables	36,089,356	51,167,734	3,668,375	3,046,953
Add: Cash and bank balances (Note 23)	<u>3,269,547</u>	<u>1,581,881</u>	<u>94,621</u>	<u>92,049</u>
Total loans and receivables	<u>39,358,903</u>	<u>52,749,615</u>	<u>3,762,996</u>	<u>3,139,002</u>

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22. Trade and other receivables (continued)**a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 60 to 90 days (2012: 60 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2013	2012
	RM	RM
Neither past due nor impaired	6,389,654	8,509,694
1 to 30 days past due not impaired	815,071	1,433,329
31 to 60 days past due not impaired	46,246	1,329,189
61 to 90 days past due not impaired	116,288	573,663
91 to 120 days past due not impaired	393,283	1,179,946
More than 120 days past due not impaired	2,737,778	15,427,942
	<u>4,108,666</u>	<u>19,944,069</u>
	<u>10,498,320</u>	<u>28,453,763</u>

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM4,108,666 (2012: RM19,944,069) that are past due at the reporting date but not impaired. The receivables that are past due but not impaired are unsecured in nature.

b) Deposits for log supplies

Deposits for log supplies represent advances paid to log suppliers for logs to be purchased.

c) Amounts due from subsidiary companies

Amounts due from subsidiary companies are unsecured, non-interest bearing and are repayable upon demand.

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23. Cash and bank balances

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash at banks and on hand	3,149,172	1,721,806	94,621	92,049
Deposits with licensed banks	120,525	120,525	-	-
Cash and bank balances	<u>3,269,697</u>	<u>1,842,331</u>	<u>94,621</u>	<u>92,049</u>
	=====	=====	=====	=====
Cash and short term deposits	3,269,697	1,842,331	94,621	92,049
Bank overdrafts (Note 24)	<u>(150)</u>	<u>(260,450)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>3,269,547</u>	<u>1,581,881</u>	<u>94,621</u>	<u>92,049</u>
	=====	=====	=====	=====

Included in deposits with licensed banks of the Group and the Company amounting to RM19,000 (2012: RM19,000) are pledged to bank to secure bank guarantees granted to the government departments and hence, are not available for general use.

24. Loans and borrowings

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Secured:				
Obligations under finance leases (Note 30(c))	6,761,869	37,377,447	-	-
RM bank loan at *BFR + 0.00% to 3.50%	-	13,735,325	-	13,735,325
	<u>6,761,869</u>	<u>51,112,772</u>	<u>-</u>	<u>13,735,325</u>
Unsecured:				
Bank overdrafts (Note 23)	150	260,450	-	-
	<u>6,762,019</u>	<u>51,373,222</u>	<u>-</u>	<u>13,735,325</u>
Non-current				
Secured:				
Obligations under finance leases (Note 30(c))	22,408,427	8,907,912	-	-
Bank loans:				
RM bank loan at *BFR + 0.00% to 3.50%	138,254,472	125,594,486	138,254,472	125,594,486
RM loan at 3% p.a.	7,513,906	6,349,835	-	-
	<u>168,176,805</u>	<u>140,852,233</u>	<u>138,254,472</u>	<u>125,594,486</u>
Total loans and borrowings	<u>174,938,824</u>	<u>192,225,455</u>	<u>138,254,472</u>	<u>139,329,811</u>
	=====	=====	=====	=====

* Base Funding Rate

24. Loans and borrowings (continued)

Obligations under finance leases

During the financial year, a subsidiary of the Group has rescheduled certain of its finance leases amounting to RM22,291,232 with the lessor. Under the revised terms and conditions, the tenure of the leases have been extended for another two to seven years with a new monthly installment. Subsequent to year end, the subsidiary also successfully rescheduled another finance lease amounting to RM7,450,404.

These obligations are secured by a charge over the leased assets (Note 14). The average discount rate implicit in the leases is 10.82% (2012: 9.49%).

Term loan: RM bank loan BFR + 0.00% to 3.50%

During the financial year, the Company has rescheduled its term loan with the lender. Under the revised terms and conditions, the lender has granted the Company a grace period of 34 months whereby the Company is only required to serve interest payment for the term loan. Principal repayment of this loan is due on 1 January 2016.

The loan is secured by:

- i) a first legal charge over leasehold land (Note 14) and timber rights (Note 17) of certain subsidiary companies;
- ii) a debenture over fixed and floating assets of a third party; and
- iii) a debenture over all fixed and floating assets of certain subsidiary companies.

Term loan: RM bank loan at 3% p.a.

The loan is secured by:

- i) a corporate guarantee by the Company; and
- ii) first party deed of assignment assigning to the lender all its harvesting rights of the planted timber in favour of the lender.

25. Trade and other payables

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	<u>27,690,905</u>	<u>38,922,076</u>	<u>-</u>	<u>-</u>
Other payables				
Amount due to a subsidiary company	-	-	-	4,000,000
Accruals	11,139,235	5,531,385	-	-
Deposits	1,466,223	372,794	-	-
Other payables	<u>19,249,518</u>	<u>2,893,499</u>	<u>1,025,305</u>	<u>386,435</u>
	<u>31,854,976</u>	<u>8,797,678</u>	<u>1,025,305</u>	<u>4,386,435</u>
Total trade and other payables	59,545,881	47,719,754	1,025,305	4,386,435
Add: Loans and borrowings (Note 24)	<u>174,938,824</u>	<u>192,225,455</u>	<u>138,254,472</u>	<u>139,329,811</u>
Total financial liabilities carried at amortised cost	<u><u>234,484,705</u></u>	<u><u>239,945,209</u></u>	<u><u>139,279,777</u></u>	<u><u>143,716,246</u></u>

a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 60 to 90 days (2012: 60 to 90 days) term.

b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an 60 to 90 days (2012: 60 to 90 days) term.

c) Amount due to a subsidiary company

Amount due to a subsidiary company is non-interest bearing and has no fixed terms of repayment.

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25. Trade and other payables (continued)**(c) Financial guarantees**

The fair value of financial guarantees provided by the Company to banks to secure obligations under finance lease granted to certain subsidiaries with nominal amount of RM36,684,202 (2012: RM44,267,244) are negligible because the outstanding borrowings are adequately secured by plant and equipment of the subsidiaries in which their market values upon realisation are expected to be higher than the outstanding borrowing amounts.

26. Share capital, share premium and treasury shares

	Number of ordinary shares of RM0.50 each		Amount			
	Share capital (issued and fully paid)	Treasury shares	Share capital (issued and fully paid) RM	Share premium RM	Total share capital and share premium RM	Treasury shares RM
At 1 July 2012 and 30 June 2013	<u>186,278,118</u>	<u>(12,562,832)</u>	<u>93,139,059</u>	<u>59,890,697</u>	<u>153,029,756</u>	<u>(10,324,612)</u>

	Number of ordinary shares of RM0.50 each		Amount	
	2013 RM	2012 RM	2013 RM	2012 RM
Authorised share capital				
At 1 July and 30 June	<u>400,000,000</u>	<u>400,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>

a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

b) Treasury shares

Of the total 186,278,118 (2012: 186,278,118) issued and fully paid ordinary shares as at 30 June 2013, 12,562,832 (2012: 12,562,832) are held as treasury shares by the Company. As at 30 June 2013, the number of outstanding ordinary shares in issue after the setoff is therefore 173,715,286 (2012: 173,715,286) ordinary shares of RM0.50 each.

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27. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

As at 30 June 2013, the Company has tax exempt profits available for distribution of approximately RM88,091,763 (2012: RM88,091,763), subject to the agreement of the Inland Revenue Board.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 30 June 2013 and 2012 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007. As at 30 June 2013 and 2012, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

28. Other reserves

	Warrant reserve RM	Foreign currency translation reserve RM	Total RM
Group			
At 1 July 2012	4,342,882	(196,608)	4,146,274
Other comprehensive income:			
Foreign currency translation	-	196,105	196,105
At 30 June 2013	4,342,882	(503)	4,342,379
Company			
At 1 July 2012 and 30 June 2013	4,342,882	-	4,342,882

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28. Other reserves (continued)**a) Warrant reserve**

This represents the residual amount of warrant reserve. This amount is presented net of transaction costs.

b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. Related party transactions**a) Sale and purchase of goods and services:**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2013	Group	2012
	RM		RM
Transactions with companies in which one of the directors of the Company, Lim Nyuk Foh has financial interests:			
Contract income	4,355,859		-
Freight charges	1,773,700		-
Purchase of wood products	239,608		-
Services income	90,473		-
Sale of wood products	-		9,457
Rental income	-		94,500
Rental of premises	-		156,600
Sale of sawn dust	-		5,972
Transportation expense	-		450
	=====		=====
Transactions with a director of the Company, Lim Nyuk Foh:			
Rental of land	36,000		36,000
	=====		=====

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29. Related party transactions (continued)**a) Sale and purchase of goods and services: (continued)**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year: (continued).

	Group	
	2013	2012
	RM	RM
Transactions with companies in which a close family member of a director of the Company is a director and has financial interests:		
Sale of wood products	568,266	43,916
Rental income	75,542	-
Barge charges	30,000	-
	<u>573,808</u>	<u>43,916</u>
Transactions with a subsidiary:		
Dividend income	<u>11,600,000</u>	<u>14,508,574</u>

b) Compensation of key management personnel

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short-term employee benefits	651,101	758,730	62,100	66,800
Defined contribution plan	41,750	41,520	-	-
	<u>692,851</u>	<u>800,250</u>	<u>62,100</u>	<u>66,800</u>

30. Commitments**a) Capital commitments**

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Capital expenditure				
Approved and contracted for:				
Acquisition of plant and equipment	1,487,876	4,656,250	-	-
Acquisition of timber rights	<u>1,338,615</u>	<u>-</u>	<u>-</u>	<u>-</u>

30. Commitments (continued)

b) Operating lease commitments – as lessee

Details of land use rights and the amortisation of land use rights recognised in profit or loss are disclosed in Note 16 to the financial statements.

c) Finance lease commitments

The Group has finance leases for certain items of plant and equipment (Note 14). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2013	Group
	RM	2012
		RM
Minimum lease payments:		
Not later than 1 year	8,104,522	40,950,512
Later than 1 year and not later than 2 years	7,608,764	9,295,533
Later than 2 years and not later than 5 years	11,401,801	-
Later than 5 years	5,265,079	-
Total minimum lease payments	32,380,166	50,246,045
Less: Amounts representing finance charges	(3,209,870)	(3,960,686)
Present value of minimum lease payments	29,170,296	46,285,359
	=====	=====
Present value of payments:		
Not later than 1 year	6,761,869	37,377,447
Later than 1 year and not later than 2 years	6,697,919	8,907,912
Later than 2 years and not later than 5 years	10,603,101	-
Later than 5 years	5,107,407	-
Present value of minimum lease payments	29,170,296	46,285,359
Less: Amount due within 12 months (Note 24)	(6,761,869)	(37,377,447)
Amount due after 12 months (Note 24)	22,408,427	8,907,912
	=====	=====

31. Contingent liabilities

On 30 December 2010, a wholly owned subsidiary of the Company, Maxland Sdn. Bhd. (Maxland) was served with a Writ of Summons by Timatch Sdn. Bhd. (Timatch) claiming against Maxland for trespass and damages to the raw water transmission pipeline and valve chamber which was used by Timatch for the supply of raw water to its water treatment plant along Jalan Ulu Sibuga in the District of Sandakan. Timatch sought relief for damages and a restraining order together with interest and cost arising from Maxland's abovementioned wrongful action.

On 16 February 2011, a judgment in default of appearance was issued by the High Court of Sabah and Sarawak at Sandakan that Maxland to pay Timatch the damages to be assessed. On 3 June 2011, Maxland's application to set aside the judgment in default of appearance was dismissed by the High Court of Sandakan. On 7 June 2011, Maxland had submitted an appeal to the Court of Appeal of Malaysia for the aforementioned judgment to be set aside with costs. The appeal was dismissed by the Court of Appeal of Malaysia on 19 June 2012.

On 16 July 2012, Maxland had submitted an application for leave to appeal to the Federal Court. The current status of this suit is that Maxland's application for stay of the hearing of the assessment of damages at the High Court was granted by the Federal Court and is now pending the date of hearing to be fixed by the High Court.

32. Fair value of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The followings are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	22
Trade and other payables (current)	25
Loans and borrowings (current)	24
Loans and borrowings (non-current)	24

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

32. Fair value of financial instruments (continued)

Determination of fair value (continued)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Finance lease obligations and fixed rate bank loans

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

33. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Finance Department overseen by an Executive Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

33. Financial risk management objectives and policies (continued)

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of Managing Director.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- A nominal amount of RM36,684,202 (2012: RM44,267,244) relating to corporate guarantees provided by the Company to the banks to secure obligations under finance lease granted to certain subsidiaries.

33. Financial risk management objectives and policies (continued)

a) Credit risk

Credit risk concentration profile

At the reporting date, almost 3% (2012: 11%) of the Group's trade receivables were due from overseas customers.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 22.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 4% (2012: 10%) of the Group's loans and borrowings and approximately Nil (2012: 27%) of the Company's loans and borrowings (Note 24) will mature in less than one year based on the carrying amount reflected in the financial statements.

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33. Financial risk management objectives and policies (continued)**b) Liquidity risk (continued)****Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amounts.

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2013				
Financial assets:				
Trade and other receivables	36,089,356	-	-	36,089,356
Total cash and bank balances	<u>3,269,547</u>	-	-	<u>3,269,547</u>
Total undiscounted financial assets	<u>39,358,903</u>	-	-	<u>39,358,903</u>
Financial liabilities:				
Trade and other payables	(59,545,881)	-	-	(59,545,881)
Loans and borrowings	<u>(17,278,250)</u>	<u>(169,979,782)</u>	<u>(54,183,789)</u>	<u>(241,441,821)</u>
Total undiscounted financial liabilities	<u>(76,824,131)</u>	<u>(169,979,782)</u>	<u>(54,183,789)</u>	<u>(300,987,702)</u>
Total net undiscounted financial liabilities	<u>(37,465,228)</u>	<u>(169,979,782)</u>	<u>(54,183,789)</u>	<u>(261,628,799)</u>
2012				
Financial assets:				
Trade and other receivables	51,167,734	-	-	51,167,734
Total cash and bank balances	<u>1,581,881</u>	-	-	<u>1,581,881</u>
Total undiscounted financial assets	<u>52,749,615</u>	-	-	<u>52,749,615</u>
Financial liabilities:				
Trade and other payables	(47,719,754)	-	-	(47,719,754)
Loans and borrowings	<u>(64,761,072)</u>	<u>(141,878,760)</u>	<u>(24,254,584)</u>	<u>(230,894,416)</u>
Total undiscounted financial liabilities	<u>(112,480,826)</u>	<u>(141,878,760)</u>	<u>(24,254,584)</u>	<u>(278,614,170)</u>
Total net undiscounted financial liabilities	<u>(59,731,211)</u>	<u>(141,878,760)</u>	<u>(24,254,584)</u>	<u>(225,864,555)</u>

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33. Financial risk management objectives and policies (continued)**b) Liquidity risk (continued)**

Company	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2013				
Financial assets:				
Trade and other receivables	3,668,375	-	-	3,668,375
Total cash and bank balances	94,621	-	-	94,621
Total undiscounted financial assets	<u>3,762,996</u>	-	-	<u>3,762,996</u>
Financial liabilities:				
Trade and other payables, excluding financial guarantees *	(1,025,305)	-	-	(1,025,305)
Loans and borrowings	(9,173,728)	(153,234,711)	(36,388,107)	(198,796,546)
Total undiscounted financial liabilities	<u>(10,199,033)</u>	<u>(153,234,711)</u>	<u>(36,388,107)</u>	<u>(199,821,851)</u>
Total net undiscounted financial liabilities	<u>(6,436,037)</u>	<u>(153,234,711)</u>	<u>(36,388,107)</u>	<u>(196,058,855)</u>
2012				
Financial assets:				
Trade and other receivables	3,046,953	-	-	3,046,953
Total cash and bank balances	92,049	-	-	92,049
Total undiscounted financial assets	<u>3,139,002</u>	-	-	<u>3,139,002</u>
Financial liabilities:				
Trade and other payables, excluding financial guarantees *	(4,386,435)	-	-	(4,386,435)
Loans and borrowings	(23,810,560)	(132,583,227)	(14,881,320)	(171,275,107)
Total undiscounted financial liabilities	<u>(28,196,995)</u>	<u>(132,583,227)</u>	<u>(14,881,320)</u>	<u>(175,661,542)</u>
Total net undiscounted financial liabilities	<u>(25,057,993)</u>	<u>(132,583,227)</u>	<u>(14,881,320)</u>	<u>(172,522,540)</u>

* At the reporting date, the counterparty to the financial guarantees does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

33. Financial risk management objectives and policies (continued)

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of at least 6 months (2012: less than 6 months) from the reporting date.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's loss net of tax would have been RM258,567 (2012: RM292,916) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group, primarily United States Dollar (USD).

Approximately 72% (2012: 75%) of the Group's sales are denominated in foreign currencies. The Group's trade receivable balances at the reporting date have similar exposures.

33. Financial risk management objectives and policies (continued)**d) Foreign currency risk**

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD) amounted to RM71,306 (2012: RM45,904).

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Solomon Islands and Papua New Guinea. These investments are not hedged as currency positions in SBD and PGK are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2013	2012
	RM	RM
	Loss net of tax	Profit net of tax
USD/RM - strengthened 5% (2012: 5%)	(55,592)	(231,280)
- weakened 5% (2012: 5%)	<u>55,592</u>	<u>231,280</u>

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2013 and 30 June 2012.

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34. Capital management (continued)

The Group monitors capital using a gearing ratio, which is total loans and borrowings, trade and other payables, less cash and bank balances divided by equity attributable to equity owners of the parent. The calculations of the Group's and Company's gearing ratios are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Trade and other payables (Note 25)	59,545,881	47,719,754	1,025,305	4,386,435
Loans and borrowings (Note 24)	174,938,824	192,225,455	138,254,472	139,329,811
Less: Cash and bank balances (Note 23)	<u>(3,269,697)</u>	<u>(1,842,331)</u>	<u>(94,621)</u>	<u>(92,049)</u>
	<u>231,215,008</u>	<u>238,102,878</u>	<u>139,185,156</u>	<u>143,624,197</u>
Equity attributable to the owners of the parent	<u>221,423,526</u>	<u>278,168,631</u>	<u>148,836,240</u>	<u>148,784,291</u>
Capital and net debt	<u>452,638,534</u>	<u>516,271,509</u>	<u>288,021,396</u>	<u>292,408,488</u>
Gearing ratio	<u>51%</u>	<u>46%</u>	<u>48%</u>	<u>49%</u>

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35. Segmental information

- a) No segmental information has been presented on operating segment as the Group is principally involved in the production and sale of wood products.
- b) Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Total Assets	
	2013 RM	2012 RM	2013 RM	2012 RM
Malaysia	41,537,381	77,676,525	422,892,987	512,493,933
Solomon Islands	386,370	866,363	42,842,864	31,222,665
Papua New Guinea	-	-	677	826
Korea	9,732,703	14,042,335	-	-
Thailand	20,136,374	23,879,922	-	-
Japan	63,160,613	78,737,349	-	-
Taiwan	2,957,358	7,761,552	-	-
Hong Kong	44,898,583	57,067,208	-	-
India	-	28,450	-	-
USA	586,913	598,492	-	-
Singapore	214,932	574,541	-	-
Philippine	-	37,155	-	-
UK	-	75,182	-	-
China	4,808,825	14,401,420	-	-
	<u>188,420,052</u>	<u>275,746,494</u>	<u>465,736,528</u>	<u>543,717,424</u>

36. Significant events

On 1 April 2013 the Company proposed to undertake a multiple corporate exercise, hereinafter, collectively referred to as the Proposals. The details of the Proposals are set out below:

- i) proposed reduction of the par value of each existing ordinary share of RM0.50 each to RM0.10 each in the Company pursuant to section 64 of the Companies Act 1965 (Proposed Par value Reduction);
- ii) proposed amendment to the Memorandum of Association of the Company to facilitate the implementation of the proposed par value reduction (Proposed MA Amendment);
- iii) proposed acquisition of the entire issued and paid-up ordinary shares of Beta Bumi Sdn Bhd (BBSB) by the Company for a purchase consideration of RM25,000,000 to be satisfied by way of a cash consideration of RM2,000,000 and the balance of RM23,000,000 to be satisfied via issuance of 65,714,285 new ordinary shares of RM0.10 each in the company at an issue price of RM0.35 per Share (Proposed Acquisition); and
- iv) proposed issuance of Unsecured Redeemable Convertible Notes (RCN) with an aggregate principal amount of up to RM50.0 million (Proposed RCN Issue).

36. Significant events (continued)

The Proposals are subject to the following approvals being obtained:

- i) approval from Bursa Securities for the listing of and quotation for the Company Shares to be issued as consideration pursuant to the Proposed Acquisition;
- ii) approval from Bursa Securities for the listing and quotation for Conversion Shares to be issued pursuant to conversion of the Notes from the Proposed RCN Issue;
- iii) approval from Securities Commission (SC) for the issuance of the Notes under the Guidelines on the Offering of Private Debt Securities;
- iv) approval from the shareholders of the Company at an Extraordinary General Meeting (EGM) to be convened;
- v) approval from BBSB's board of directors and/or shareholders (where applicable) for the disposal of the shares;
- vi) order from the High Court of Malaya sanctioning the Proposed Par Value Reduction; and
- vii) approval from any other regulatory authorities and/or third parties, if required.

The Proposals are inter-conditional upon each other.

The Proposed Acquisition is conditional upon the fulfilment of Conditions Precedent as set out in the Conditional Share Sale agreement.

The Proposed Acquisition and Proposed RCN Issue are conditional upon obtaining sanction from the High Court for the Proposed Par Value Reduction.

Bank Negara Malaysia has on 4 September 2013 approved the issuance of RCN.

37. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 29 October 2013.

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38. Supplementary information – breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits of Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2013		2012	
	Group RM	Company RM	Group RM	Company RM
Total retained earnings of the Company and its subsidiaries				
- Realised	148,147,871	1,788,214	197,681,428	1,736,265
- Unrealised	(5,761,769)	-	(9,005,788)	-
	<u>142,386,102</u>	<u>1,788,214</u>	<u>188,675,640</u>	<u>1,736,265</u>
Less: Consolidation adjustments	<u>(68,010,099)</u>	<u>-</u>	<u>(57,358,427)</u>	<u>-</u>
Retained earnings as per financial statements	<u>74,376,003</u>	<u>1,788,214</u>	<u>131,317,213</u>	<u>1,736,265</u>