



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014**

Statements of comprehensive income

For the financial period ended 31 December 2014

	INDIVIDUAL QUARTERS		CUMULATIVE QUARTERS	
	31.12.14 RM'000	31.12.13 RM'000	31.12.14 RM'000	31.12.13 RM'000
Revenue	47,009	50,336	90,866	95,812
Cost of sales	(33,918)	(46,200)	(65,577)	(87,943)
Gross Profit	13,091	4,136	25,289	7,869
Other items of income	328	1,723	1,264	2,988
Other items of expenses				
Administration expenses	(3,830)	(3,396)	(8,080)	(7,151)
Other operating expenses	(1,133)	(1,357)	(2,250)	(2,706)
Selling expenses	(4,804)	(4,667)	(8,345)	(7,406)
Finance costs	(3,423)	(2,886)	(6,893)	(6,070)
Profit / (Loss) before tax	229	(6,447)	985	(12,476)
Income tax expenses	103	103	171	194
Profit / (Loss) after tax	332	(6,344)	1,156	(12,282)
Other comprehensive income / (loss)	121	(293)	(276)	(296)
Total comprehensive income / (loss)	453	(6,637)	880	(12,578)
Profit / (Loss) attributable to:				
Owners of the parent	360	(6,278)	1,199	(12,145)
Non-controlling interests	(28)	(66)	(43)	(137)
	332	(6,344)	1,156	(12,282)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	481	(6,571)	923	(12,441)
Non-controlling interests	(28)	(66)	(43)	(137)
	453	(6,637)	880	(12,578)
Earnings/(Loss) per share attributable to owners of the parent (sen per share):				
Basic	0.09	(3.61)	0.31	(6.99)



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED BALANCE SHEETS

Statements of financial position

As at 31 December 2014

	AS AT END OF CURRENT QUARTER (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED)
	31.12.2014 RM'000	30.06.2014 RM'000
Assets		
Non-current assets		
Property, plant and equipment	303,371	320,722
Biological assets	39,992	34,602
Land use rights	14,216	14,297
Intangible assets	41,307	42,330
Deferred tax assets	10,000	10,000
	408,886	421,951
Current assets		
Inventories	41,962	37,506
Trade and other receivables	36,580	35,069
Prepayments	693	1,993
Cash and bank balances	6,665	3,200
	85,900	77,768
Total assets	494,786	499,719
Equity and liabilities		
Current liabilities		
Loans and borrowings	8,068	6,580
Trade and other payables	58,187	75,636
Income tax payable	479	407
	66,734	82,623
Net current assets	19,166	(4,855)
Non-current liabilities		
Loans and borrowings	160,558	163,150
Deferred tax liabilities	18,034	20,367
	178,592	183,517
Total liabilities	245,326	266,140
Net assets	249,460	233,579
Equity attributable to owners of the parent		
Share capital	42,699	32,276
Share premium	75,826	71,249
Other reserves	78,412	78,688
Treasury shares	(10,324)	(10,324)
Retained earnings	62,317	61,117
	248,930	233,006
Non-controlling interests	530	573
Total equity	249,460	233,579
Total equity and liabilities	494,786	499,719
Net assets per share (RM)	0.60	0.75



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2014

	Attributable to Equity Holders of the Parent										
	Share Capital RM'000	Share Premium RM'000	< Non - Distributable >				Other Reserve, Total RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000
Warrant Reserve RM'000			Other Reserve RM'000	Foreign Currency Translation Reserve RM'000							
At 1 July 2014	32,276	71,249	4,342	74,511	(165)	78,688	(10,324)	61,117	233,006	573	233,579
Total comprehensive income/(loss)	-	-	-	-	(276)	(276)	-	1,200	924	(43)	881
Issuance of shares :											
- On Conversion of Redeemable Convertible Notes	10,423	5,077	-	-	-	-	-	-	15,500	-	15,500
- Share issue expenses	-	(500)	-	-	-	-	-	-	(500)	-	(500)
Dividend on Ordinary Shares	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2014	42,699	75,826	4,342	74,511	(441)	78,412	(10,324)	62,317	248,930	530	249,460
At 1 July 2013	93,139	59,891	4,342	-	-	4,342	(10,324)	74,376	221,424	574	221,998
Total comprehensive income	-	-	-	-	(296)	(296)	-	(12,145)	(12,441)	(137)	(12,578)
Dividend on Ordinary Shares	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2013	93,139	59,891	4,342	-	(296)	4,046	(10,324)	62,231	208,983	437	209,420

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.)



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014

	6 months ended 31.12.14 RM'000	6 months ended 31.12.13 RM'000
Net profit/(loss) before tax	985	(12,476)
Adjustments for:-		
Amortisation of land used right	81	10
Depreciation of property, plant and equipment	19,083	19,239
Gain on disposal of property, plant and equipment	(114)	(926)
Unrealised loss on foreign exchange	-	-
Amortisation of timber rights	1,023	861
Interest expense	6,893	6,070
Operating profit/(loss) before changes in working capital	27,951	12,778
Changes in working capital:		
(Increased)/Decreased in inventories	(4,456)	(886)
(Increased)/Decreased in receivables	(1,511)	5,755
(Increased)/Decreased in prepayments	1,300	838
Increased/(Decreased) in payables	(17,449)	723
Net cash from operation	5,835	19,208
Interest paid	(6,893)	(6,070)
Tax paid	72	102
Net cash generated from operating activities	(986)	13,240
Investing activities		
Purchase of plant and equipment	(4,123)	(4,222)
Acquisition of Subsidiaries (Note 1)	-	-
Payment for forest planting expenditure	(5,390)	(4,713)
Proceeds from disposal of plant and equipment	344	1,737
Net cash used in investing activities	(9,169)	(7,198)
Financing activities		
Proceeds from issuance of Redeemable Convertible Notes	15,000	-
Proceeds from Soft Loan Drawdown	2,337	-
Repayment of term loan	-	-
Repayment of hire purchase creditors	(3,441)	(4,424)
Net cash from financing activities	13,896	(4,424)
Net Increase/(decrease) in cash and cash equivalents	3,741	1,618
Effect of exchange rate changes on cash and cash equivalents	(276)	(296)
Cash and cash equivalents at beginning of the year	3,200	3,270
Cash and cash equivalents at end of year	6,665	4,592
Cash and cash equivalents at end of the year comprise the following:		
	RM'000	RM'000
Fixed deposits with licenced banks	419	121
Cash and bank balances	6,246	4,471
	6,665	4,592

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.)

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The preparation of an interim financial report in conformity with FRS 134, Interim Financial Reporting, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 30 June 2014. It contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 30 June 2014. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRSs).

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2014.

The statutory financial statements for the year ended 30 June 2014 are available from the Company's registered office.

2. Auditors' Report on Preceding Annual Financial Statements

The Group's audited financial statements for the financial year ended 30 June 2014 were reported on without any qualification.

3. Segmental Information

No segmental report was prepared as the Group is primarily engaged in manufacturing, extracting and trading of timber and timber related products with its principal place of business in Sabah, Malaysia.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows during the financial period.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

5. Changes in Estimates

There were no significant changes in estimates that have had a material effect on the current quarter results.

6. Seasonal or Cyclical Factors

The Group's performance was not subject to any material seasonal or cyclical factors except that the timber logs extraction operation could be affected to a certain extent by the prevailing weather conditions.

7. Dividends Paid

There were no dividends paid during the current quarter under review. No dividend has been proposed by the Directors for the quarter under review (corresponding period 31.12.2013: nil)

8. Carrying Amount of Revalued Assets

There were no valuations of property, plant and equipment during the current quarter.

9. Debts and Equity Securities

During the current quarter, there were no treasury shares bought back, cancelled or resold.

Listed below the number of treasury shares as at 31 December 2014:

	Number Of Shares	Cost (RM)
Balance as at 01 July 2014	12,562,832	10,324,612
Increase / (Decrease) in treasury shares	0	0
Total treasury shares as at 31 December 2014	12,562,832	10,324,612

10. Changes in the Composition of the Group

A new subsidiary, Semaring MDE JV Sdn Bhd (Company No. 1112960-V) was incorporated during the current quarter, on 13 October 2014 as a company limited by shares under the Companies Act, 1965.

PRICEWORTH INTERNATIONAL BERHAD

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

11. Contingent Liabilities and Contingent Assets

a) Contingent liabilities

Legal Claim

(I) On 30 December 2010, a wholly owned subsidiary of the Company, Maxland Sdn. Bhd. was served with a Writ of Summons by Timatch Sdn. Bhd. ("Plaintiff") claiming against the subsidiary for trespass and damages to raw water transmission pipeline and valve chamber which was used by the Plaintiff for the supply of raw water to its water treatment plant.

On 16 February 2011, a judgment in default of appearance was issued by The High Court of Sabah and Sarawak at Sandakan that the subsidiary to pay the plaintiff damages to be assessed. On 7 June 2011, the subsidiary has 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, the subsidiary has submitted an application for leave to appeal to the Federal Court. On 30 October 2012, the Federal Court of Malaysia had granted the subsidiary the application for leave to appeal. After the appeal was heard on 25 February 2014 before the Federal Court, the Court had on 24 July 2014, allowed the appeal and set aside the Judgement in Default of Appearance. The Civil Suit commenced by Timatch Sdn Bhd will now proceed before the High Court.

(II) PIB has on 17 December 2013 been served with a Writ of Summons and Statement of Claim dated 12 December 2013 ("the Suit") from the Plaintiff, one Capital Investment Agency, purportedly providing financial advisory and consultancy services and having its business address at Chislehurst Business Centre, 1 Bromley Lane, Chislehurst, Kent BR& 6LH, United Kingdom.

The Plaintiff's alleged claim in the Suit against the Company is for alleged outstanding commission in the sum of USD4,988,338 together with interests and costs purportedly pursuant to a Mandate Agreement dated 12 November 2010 for supposedly arranging a term loan offer of USD167,527,946 for the Company.

The alleged sum claim by the Plaintiff represented 6.8% of the net assets of the PIB Group as at 30 June 2014.

PIB does not anticipate any losses from the Suit as it regards the Mandate Agreement to be uncertain, null and void, and unenforceable. In any event, the term loan offer did not materialized. The Suit is undergoing the normal court processes and the hearing fixed on 2 February 2015 had been delayed to June 2015.

Guarantees

The Company has provided the corporate guarantees to subsidiaries as securities for hire purchase and lease financing facilities amounting to RM30,000,000.00. The balance of these facilities outstanding at 31.12.2014 amounted to RM19,040,000.00.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

12. Subsequent Events

There were no material events subsequent to the end of the current quarter other than the following:

(1) Issuance of Redeemable Convertible Notes (RCN) :-

Tranche 3 of which to RM5.0 million was issued by 07.11.2014 and all converted to ordinary shares by 13.11.2014. And another RM2.5 million was issued on 30.01.2015 and converted to ordinary shares on 05.02.2015.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

13. Review of Performance

For the current quarter under review, the Group recorded revenue of RM47 million, 6% decrease in revenue when compared with the RM50 million in the corresponding quarter 31.12.2013. The Group also recorded a profit before tax of RM 0.3 million compared to a loss before tax of RM6 million in the corresponding quarter 31.12.2013.

The improvement in this quarter performance as compared to the corresponding quarter 31.12.2013 is due principally to reduction in cost of raw materials which was achieved by increasing the usage of smaller logs.

14. Variation of Result to immediate preceding quarter

For the current quarter under review, the Group posted revenue of RM47 million compared to RM47 million in the preceding quarter. The profit before tax is RM 0.3 million compared to the profit before tax of RM0.8 million in the immediate preceding quarter.

15. Company's Prospects

The outlook for Malaysian timber industry remains stable with stable selling price in Japan and other Asia country. The outlook for timber demand from Japan, a major plywood consumer is promising with growth from various positive factors and stabilising economy.

However, in order to increase the production level, the Group is actively sourcing for more stable supply of raw materials. In addition, the Group is also actively developing the forest re-plantation area in order to secure long term stability of supplies to the downstream timber processing plants.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

For the financial year 2015/2016, barring any unforeseen circumstances, the Board of Directors will endeavour to improve the Group's performance and the Group will continue to assess its internal and external risks and implement strategies to control operating costs and explore new markets for its products.

16. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast and profit guarantee were given.

17. Additional disclosure-(Loss)/Profit before tax

	Current Quarter 31.12.2014 RM'000	Cumulative Quarters Current Year To Date 31.12.2014 RM'000
(Loss)/Profit before tax is Arrived at after charging/(crediting)		
Other income	(328)	(1,264)
Interest expense	3,423	6,893
Amortization and depreciation	10,079	20,187

18. Income Tax

Taxation comprises the following:-

	Current Quarter 31.12.2014 RM'000	Cumulative Quarters Current Year To Date 31.12.2014 RM'000
Current taxation	-	-
Deferred taxation	103	171
	<u>103</u>	<u>171</u>

The taxation is computed after taking into consideration the utilisation of unutilised tax losses and unabsorbed capital allowance from subsidiary companies.

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19. Profit or Loss on Sales of Unquoted Investments or Properties

There were no sales of investments or properties during the current quarter and financial period to-date.

20. Quoted Securities

(a) Purchases and Disposals of Quoted Securities

There were no purchases and disposals of quoted securities for the current quarter and financial year to-date.

(b) Investments in quoted securities

There was no investment in quoted securities for the current quarter and financial year to-date.

21. Corporate Proposals

There is no proposal.

22. Retained Earnings

	As at 31.12.2014 RM'000	As at 30.06.2014 RM'000
Total retained earnings of the Group;		
-Realised	123,684	115,527
-Unrealised	4,151	9,905
	127,835	125,432
Less: Consolidation adjustments	(65,518)	(64,315)
Total Group retained earnings as per Consolidated accounts	62,317	61,117

The disclosure of realized and unrealized profits above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

23. Borrowings

Long Term borrowings as at 31 December 2014:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	149,127	-	149,127
2) Hire Purchase Creditors	11,431	-	11,431
	<u>160,558</u>	<u>-</u>	<u>160,558</u>

Short Term borrowings as at 31 December 2014:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	458	-	458
2) Hire Purchase Creditors	7,609	-	7,609
	<u>8,067</u>	<u>-</u>	<u>8,067</u>

Total group borrowings as at 31 December 2014:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	149,585	-	149,585
2) Hire Purchase Creditors	19,040	-	19,040
	<u>168,625</u>	<u>-</u>	<u>168,625</u>

All the borrowings of the Group are secured.

The Term Finance of the Company is secured by way of a debenture over all fixed and floating assets of the Group, and of a third party. Included in Term Finance is also a loan secure by a first party deed of assignment assigning to the lender all its harvesting rights of the planted timber in favour of the lender.

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

25. Material Litigation

Except as disclosed under note on contingent liabilities, the Company has not engaged in any material litigation, claims or arbitration either as plaintiff or defendant for the current quarter.

26. Dividend Declared

There was no dividend declared for the financial quarter under review.

PRICEWORTH INTERNATIONAL BERHAD

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2014

27. Earnings / (Loss) Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

Individual Quarter 6 months ended		Cumulative Quarters 6 months ended	
31.12.2014	31.12.2013	31.12.2014	31.12.2013

Basic earnings per share

Net profit / (loss) (RM'000)	360	(6,278)	1,199	(12,145)
Weighted average number of ordinary shares in issue ('000)	384,056	173,712	384,056	173,712
Basic earnings/(loss) per share (sen)	0.09	(3.61)	0.31	(6.99)

Net profit / (loss) (RM'000)	360	(6,278)	1,199	(12,145)
Weighted average number of ordinary shares in issue ('000)	384,056	173,712	384,056	173,712
Basic earnings/(loss) per share (sen)	0.09	(3.61)	0.31	(6.99)

(b) Diluted

The effect on the basic earnings per share for the current financial period arising from the assumed conversion of the warrants is anti-dilutive. Accordingly, the diluted earnings per share for the current period is presented as equaled to the basic earnings per share.