



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2015**

Statements of comprehensive income

For the financial period ended 31 March 2015

	INDIVIDUAL QUARTERS		CUMULATIVE QUARTERS	
	31.03.15 RM'000	31.03.14 RM'000	31.03.15 RM'000	31.03.14 RM'000
Revenue	41,332	36,540	132,198	132,351
Cost of sales	(28,191)	(36,169)	(93,768)	(124,111)
Gross Profit	13,141	371	38,430	8,240
Other items of income	602	10,671	1,866	13,658
Other items of expenses				
Administration expenses	(3,974)	(1,750)	(12,054)	(8,901)
Other operating expenses	(1,068)	(2,723)	(3,318)	(5,429)
Selling expenses	(3,597)	(3,500)	(11,942)	(10,906)
Finance costs	(3,982)	(4,306)	(10,875)	(10,375)
Profit / (Loss) before tax	1,122	(1,237)	2,107	(13,713)
Income tax expenses	(601)	(230)	(430)	(36)
Profit / (Loss) after tax	521	(1,467)	1,677	(13,749)
Other comprehensive income / (loss)	(1,210)	22	(1,486)	(274)
Total comprehensive income / (loss)	(689)	(1,445)	191	(14,023)
Profit / (Loss) attributable to:				
Owners of the parent	558	(1,565)	1,757	(13,710)
Non-controlling interests	(37)	98	(80)	(39)
	521	(1,467)	1,677	(13,749)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(652)	(1,543)	271	(13,984)
Non-controlling interests	(37)	98	(80)	(39)
	(689)	(1,445)	191	(14,023)
Earnings/(Loss) per share attributable to owners of the parent (sen per share):				
Basic	0.14	(0.80)	0.43	(7.04)



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED BALANCE SHEETS

Statements of financial position

As at 31 March 2015

	AS AT END OF CURRENT QUARTER (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED)
	31.03.15 RM'000	30.06.2014 RM'000
Assets		
Non-current assets		
Property, plant and equipment	304,993	320,722
Biological assets	45,783	34,602
Land use rights	14,175	14,297
Intangible assets	40,641	42,330
Deferred tax assets	10,000	10,000
	415,592	421,951
Current assets		
Inventories	45,485	37,506
Trade and other receivables	35,112	35,069
Prepayments	707	1,993
Cash and bank balances	6,504	3,200
	87,808	77,768
Total assets	503,400	499,719
Equity and liabilities		
Current liabilities		
Loans and borrowings	17,131	6,580
Trade and other payables	63,763	75,636
Income tax payable	438	407
	81,332	82,623
Net current assets	6,476	(4,855)
Non-current liabilities		
Loans and borrowings	150,655	163,150
Deferred tax liabilities	18,643	20,367
	169,298	183,517
Total liabilities	250,630	266,140
Net assets	252,770	233,579
Equity attributable to owners of the parent		
Share capital	46,670	32,276
Share premium	75,855	71,249
Other reserves	77,202	78,688
Treasury shares	(10,324)	(10,324)
Retained earnings	62,874	61,117
	252,277	233,006
Non-controlling interests	493	573
Total equity	252,770	233,579
Total equity and liabilities	503,400	499,719
Net assets per share (RM)	0.56	0.75



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2015

	← Attributable to Equity Holders of the Parent →												
			< Non - Distributable >							Distributable Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve, Total RM'000	Treasury Shares 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)	-	-	-	-	(1,486)	(1,486)	-	1,757	271	(80)	191		
Issuance of shares :													
- On Conversion of Redeemable Convertible Notes	14,394	6,106	-	-	-	-	-	-	20,500	-	20,500		
- Share issue expenses	-	(1,500)	-	-	-	-	-	-	(1,500)	-	(1,500)		
Dividend on Ordinary Shares	-	-	-	-	-	-	-	-	-	-	-		
At 31 March 2015	46,670	75,855	4,342	74,511	(1,651)	77,202	(10,324)	62,874	252,277	493	252,770		
At 1 July 2013	93,139	59,891	4,343	-	-	4,343	(10,324)	74,376	221,425	574	221,999		
Total comprehensive income	-	-	-	-	(274)	(274)	-	(13,710)	(13,984)	(39)	(14,023)		
Transfer to other reserve on Par Value Reduction	(74,511)	-	-	74,511	-	74,511	-	-	-	-	-		
Issuance of shares :													
- Acquisition of Beta Bumi Sdn Bhd	6,571	10,515	-	-	-	-	-	-	17,086	-	17,086		
- On Conversion of Redeemable Convertible Notes	5,662	2,338	-	-	-	-	-	-	8,000	-	8,000		
- Share issue expenses	-	(2,972)	-	-	-	-	-	-	(2,972)	-	(2,972)		
Dividend on Ordinary Shares	-	-	-	-	-	-	-	-	-	-	-		
At 31 March 2014	30,861	69,772	4,343	74,511	(274)	78,580	(10,324)	60,666	229,555	535	230,090		

(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 MARCH 2015

	9 months ended 31.03.15 RM'000	9 months ended 31.03.14 RM'000
Net profit/(loss) before tax	2,107	(13,713)
Adjustments for:-		
Amortisation of land used right	122	50
Depreciation of property, plant and equipment	29,711	28,216
Gain on disposal of property, plant and equipment	(684)	(1,632)
Miscellaneous Income	-	(5,914)
Amortisation of timber rights	1,689	972
Interest expense	10,875	10,375
Operating profit/(loss) before changes in working capital	43,820	18,354
Changes in working capital:		
(Increased)/Decreased in inventories	(7,979)	(313)
(Increased)/Decreased in receivables	(43)	9,749
(Increased)/Decreased in prepayments	1,286	284
Increased/(Decreased) in payables	(11,873)	(1,132)
Net cash from operation	25,211	26,942
Interest paid	(10,875)	(10,375)
Tax paid	(31)	(219)
Net cash generated from operating activities	14,305	16,348
Investing activities		
Purchase of plant and equipment	(17,839)	(6,678)
Acquisition of Subsidiaries (Note 1)	-	(2,000)
Payment for forest planting expenditure	(11,181)	(7,322)
Proceeds from disposal of plant and equipment	1,210	3,738
Net cash used in investing activities	(27,810)	(12,262)
Financing activities		
Proceeds from issuance of Redeemable Convertible Notes	19,000	5,028
Proceeds from Soft Loan Drawdown	2,337	-
Repayment of term loan	-	-
Repayment of hire purchase creditors	(4,281)	(5,364)
Net cash from financing activities	17,056	(336)
Net Increase/(decrease) in cash and cash equivalents	3,551	3,750
Effect of exchange rate changes on cash and cash equivalents	(247)	(274)
Cash and cash equivalents at beginning of the year	3,200	3,270
Cash and cash equivalents at end of year	6,504	6,746
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	6,085	6,625
	6,504	6,746

Note 1:

Acquisitions of Subsidiaries

Purchase Consideration		(19,086)
Purchase Consideration satisfied by issuance of new shares		17,086
Cash Consideration		(2,000)

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2015

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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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 31.03.2014: 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

a) Treasury Shares

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

Listed below the number of treasury shares as at 31 March 2015:

	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 March 2015	12,562,832	10,324,612

b) Redeemable Convertible Notes (RCN)

In respect of Tranche 3 as at 07.11.2014 RM5.0 million was issued and all converted to ordinary shares by 13.11.2014, another RM2.5 million was issued on 30.01.2015 and converted to ordinary shares on 05.02.2015 and a further RM2.5 million was issued on 25.02.2015 and converted to ordinary shares on 02.03.2015. As at date of this report, total RCN issued was RM30 million, the proceeds has been utilized for the repayment of bank borrowing, working capital and issuance expenses.

10. Changes in the Composition of the Group

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

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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.

The High Court rule in favour of the plaintiff on 5 May 2015 and the amounts of judgement sum is yet to be finalized by the High Court as at this date. The company is planned to file an appeal for the High Court ruling to the Court of Appeal.

(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 September 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 31.03.2015 amounted to RM17,158,000.00.

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12. Subsequent Events

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

(1) Acquisition of A New Subsidiary:-

Priceworth International Bhd's wholly-owned subsidiary, Sinora Sdn Bhd has acquired the entire shareholding of Sino Golden Star Ltd (Company Registration No. 2207461) on 27 April 2015. Sino Golden Star Ltd was incorporated on 3 March 2015 in Hong Kong as a limited liability company with its issued share stands at HKD100 of 100 shares. At present, Sino Golden Star Ltd is dormant.

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 RM41 million, 11% increase in revenue when compared with the RM37 million in the corresponding quarter 31.03.2014. The Group also recorded a profit before tax of RM 1.1 million compared to a loss before tax of RM1.2 million in the corresponding quarter 31.03.2014.

The improvement in this quarter performance as compared to the corresponding quarter 31.03.2014 is due principally to reduction in cost of raw materials and processing costs and the strengthening of the USD against the Ringgit.

14. Variation of Result to immediate preceding quarter

For the current quarter under review, the Group posted revenue of RM41 million compared to RM47 million in the preceding quarter. The profit before tax is RM 0.6 million compared to the profit before tax of RM0.3 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.

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

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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 31.03.2015 RM'000	Cumulative Quarters Current Year To Date 31.03.2015 RM'000
(Loss)/Profit before tax is Arrived at after charging/(crediting)		
Other income	(602)	(1,866)
Interest expense	3,982	10,875
Amortization and depreciation	11,335	31,522

18. Income Tax

Taxation comprises the following:-

	Current Quarter 31.03.2015 RM'000	Cumulative Quarters Current Year To Date 31.03.2015 RM'000
Current taxation	(79)	(79)
Deferred taxation	(522)	(351)
	<u>(601)</u>	<u>(430)</u>

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

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.

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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 were no corporate proposals as at the date of this report.

22. Retained Earnings

	As at 31.03.2015 RM'000	As at 30.06.2014 RM'000
Total retained earnings of the Group;		
-Realised	116,830	115,527
-Unrealised	5,361	9,905
	122,191	125,432
Less: Consolidation adjustments	(59,317)	(64,315)
Total Group retained earnings as per Consolidated accounts	62,874	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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23. Borrowings

Long Term borrowings as at 31 March 2015:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	141,175	-	141,175
2) Hire Purchase Creditors	9,480	-	9,480
	<u>150,655</u>	<u>-</u>	<u>150,655</u>

Short Term borrowings as at 31 March 2015:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	9,458	-	9,458
2) Hire Purchase Creditors	7,673	-	7,673
	<u>17,131</u>	<u>-</u>	<u>17,131</u>

Total group borrowings as at 31 March 2015:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	150,633	-	150,633
2) Hire Purchase Creditors	17,153	-	17,153
	<u>167,786</u>	<u>-</u>	<u>167,786</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.

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26. Dividend Declared

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

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 3 months ended		Cumulative Quarters 9 months ended	
	31.03.2015	31.03.2014	31.13.2015	31.03.2014
Basic earnings per share				
Net profit / (loss) (RM'000)	558	(1,565)	1,757	(13,710)
Weighted average number of ordinary shares in issue ('000)	405,268	194,606	405,268	194,606
Basic earnings/(loss) per share (sen)	0.14	(0.80)	0.43	(7.04)

(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.