



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Statements of comprehensive income  
For the financial year ended 30 September 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Revenue	54,116	99,292	54,116	99,292
Cost of sales	(50,609)	(86,308)	(50,609)	(86,308)
Gross Profit	3,507	12,984	3,507	12,984
<b>Other items of income</b>				
Other income	1,082	2,286	1,082	2,286
<b>Other items of expenses</b>				
Administration expenses	(3,753)	(4,550)	(3,753)	(4,550)
Selling expenses	(4,409)	(5,233)	(4,409)	(5,233)
Finance costs	(3,451)	(5,215)	(3,451)	(5,215)
(Loss)/profit before tax	(7,024)	272	(7,024)	272
Income tax expenses	775	237	775	237
(Loss)/profit net of tax	(6,249)	509	(6,249)	509
Other comprehensive (loss)/income	(309)	-	(309)	-
Total comprehensive income/(loss)	(6,558)	509	(6,558)	509
<b>(Loss)/profit attributable to:</b>				
Owners of the parent	(6,160)	448	(6,160)	448
Non-controlling interests	(89)	61	(89)	61
	(6,249)	509	(6,249)	509
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	(6,469)	448	(6,469)	448
Non-controlling interests	(89)	61	(89)	61
	(6,558)	509	(6,558)	509
<b>Earnings/(Loss) per share attributable to owners of the parent (sen per share):</b>				
Basic	(3.55)	0.26	(3.55)	0.26



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

Statements of financial position

As at 30 September 2012

	AS AT END OF CURRENT QUARTER 30.09.2012 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR 30.06.2012 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	368,185	374,839
Biological assets	19,499	14,975
Land use rights	4,854	4,835
Intangible assets	27,552	30,655
Investments in subsidiaries	-	-
Deferred tax assets	7,500	7,500
	<u>427,590</u>	<u>432,804</u>
<b>Current assets</b>		
Inventories	50,775	55,055
Trade and other receivables	45,214	51,184
Prepayments	5,679	2,832
Cash and bank balances	961	1,582
	<u>102,629</u>	<u>110,653</u>
<b>Total assets</b>	<b>530,219</b>	<b>543,457</b>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	47,008	51,113
Trade and other payables	43,579	47,720
Income tax payable	930	963
	<u>91,517</u>	<u>99,796</u>
<b>Net current assets</b>	<b>11,112</b>	<b>10,857</b>
<b>Non-current liabilities</b>		
Loans and borrowings	143,226	140,852
Deferred tax liabilities	22,958	23,733
	<u>166,184</u>	<u>164,585</u>
<b>Total liabilities</b>	<b>257,701</b>	<b>264,381</b>
<b>Net assets</b>	<b>272,518</b>	<b>279,076</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	93,139	93,139
Share premium	59,891	59,891
Treasury shares	(10,324)	(10,324)
Retained earnings	125,157	131,317
Other reserves	3,837	4,146
	<u>271,700</u>	<u>278,169</u>
<b>Non-controlling interests</b>	<b>818</b>	<b>907</b>
<b>Total equity</b>	<b>272,518</b>	<b>279,076</b>
<b>Total equity and liabilities</b>	<b>530,219</b>	<b>543,457</b>
<b>Net assets per share (RM)</b>	<b>1.57</b>	<b>1.61</b>



**PRICEWORTH INTERNATIONAL BERHAD (399292-V)**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Attributable to Equity Holders of the Parent									
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	< Non - Distributable > Foreign currency translation reserve RM'000	Other Reserve, total RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 July 2012	93,139	59,891	4,343	(197)	4,146	(10,324)	131,317	278,169	907	279,076
Total comprehensive income / (loss)	-	-	(309)	(309)	(309)	-	(6,160)	(6,465)	(89)	(6,558)
At 30 September 2012	93,139	59,891	4,343	(506)	3,837	(10,324)	125,157	271,700	818	272,518
At 1 July 2011	93,139	59,891	4,343	2	4,345	(10,324)	130,128	277,179	903	278,082
Total comprehensive income	-	-	(199)	(199)	(199)	-	1,544	1,345	4	1,349
Transactions with owners	-	-	-	-	-	-	(355)	(355)	-	(355)
Dividend	-	-	-	-	-	-	-	-	-	-
At 30 June 2012	93,139	59,891	4,343	(197)	4,146	(10,324)	131,317	278,169	907	279,076

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.)



**PRICEWORTH INTERNATIONAL BERHAD (399292-V)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	3 months ended 30.9.2012 RM'000	3 months ended 30.9.2011 RM'000
Net profit/(loss) before tax	(7,024)	272
Adjustments for:-		
Amortisation of land used right	-	
Depreciation of property, plant and equipment	7,256	4,205
Gain on disposal of property, plant and equipment		(121)
Negative goodwill recognised	-	
Amortisation of timber rights	3,103	3,103
Interest income	-	
Interest expense	3,451	5,215
Operating profit before changes in working capital	6,786	12,674
Changes in working capital:		
Decreased in inventories	4,280	1,249
(Increased)/Decreased in receivables	5,970	516
(Increased)/Decreased in prepayments	(2,847)	740
Increased/(Decreased) in payables	(4,450)	(5,284)
Net cash from operation	9,739	9,895
Interest paid	(3,451)	(5,215)
Tax paid	(33)	(639)
Net cash generated from operating activities	6,255	4,041
Investing activities		
Acquisition of subsidiary company	-	-
Purchase of plant and equipment	(602)	(1,514)
Purchase of land use right	(19)	-
Payment for forest planting expenditure	(4,524)	(353)
Proceeds from disposal of investment	-	-
Proceeds from disposal of plant and equipment	-	-
Interest received	-	-
Net cash used in investing activities	(5,145)	(1,867)
Financing activities		
Repayment of revolving credits	-	
Repayment of term loan	(1,003)	(1,663)
Repayment of hire purchase creditors	(728)	(777)
Net cash from financing activities	(1,731)	(2,440)
Net decrease in cash and cash equivalents	(621)	(266)
Effect of exchange rate changes on cash and cash equivalents	-	3
Cash and cash equivalents at beginning of the period	1,582	7,718
Cash and cash equivalents at end of period	961	7,455
Cash and cash equivalents at end of the period comprise the following:		
	RM'000	RM'000
Fixed deposits with licenced banks	57	131
Cash and bank balances	904	7,324
	961	7,455

*(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 30 SEPTEMBER 2012

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### **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 judgements, 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 2012. 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 2012. 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 2012.

The statutory financial statements for the year ended 30 June 2012 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 2012 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 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.

# PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

### 5. Changes in Estimates

There were no significant changes in estimates that have had a material effect in 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 30.09.2011: 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 30 September 2012:

	Number Of Shares	Cost (RM)
Balance as at 01 July 2012	12,562,832	10,324,612
Increase / (Decrease) in treasury shares	0	0
Total treasury shares as at 30 September 2012	12,562,832	10,324,612

### 10. Changes in the Composition of the Group

There is no change in the composition of the Group for the current quarter.

### 11. Contingent Liabilities and Contingent Assets

#### a) Contingent liabilities

##### Legal Claim

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.

# PRICEWORTH INTERNATIONAL BERHAD

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

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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 had granted the subsidiary the application for leave to appeal and the subsidiary is now in the midst of preparing for the submission of relevant appealing documentation to the Federal Court.

### Guarantees

The Group has provided the corporate guarantees to subsidiaries as securities for hire purchase and lease financing facilities amounting to RM132,000,000.00

### **12. Subsequent Events**

There were no material events subsequent to the end of the current quarter.

## **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 RM54million, 45% lower than the RM99 million of the corresponding quarter 30.09.2011. Loss before tax of RM7.02 million compared to profit before tax of RM0.27 million in the corresponding quarter 30.09.2011.

Sales volume of plywood and sawn timber decreased by 20% and 50% respectively during the quarter. Average selling price of plywood and sawn timber also decreased by 7% and 8% respectively in the quarter. The decrease in sales volume was mainly due to the decrease of production volume as logs supplied from internal forest concessions and external suppliers decreased. This had lead to lower capacity utilization of about 40% compared to average 55% in the corresponding quarter 30.09.2011.

### **14. Variation of Result to immediate preceding quarter**

For the current quarter under review, the Group posted revenue of RM54 million compared to RM85 million in the preceding quarter. The loss before tax of RM7.02 million is higher compared to the loss before tax of RM2.7 million reported in the preceding quarter.

In the current quarter, the decrease in revenue is mainly due to the lower sales volume compared to preceding quarter and this had lead to higher loss before tax.

# PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

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### 15. Company's Prospects

A prolonged uncertainty in Europe and Japan economies and a slow down of China economic growth has resulted in lower demand for timber products like plywood and sawn timber. This had caused timber products selling price to remain low despite of the general shortage of timber supplies globally.

In order to improve the current low production level, the Group is also actively sourcing for more stable supply of raw materials by securing new timber concession. In addition, the Group is also actively develop the forest re-plantation area in order to secure long term stability of log supplies to the down- stream timber processing plants.

For the current financial year 2012/2013, barring any unforeseen circumstances and subject to improvements in global economic conditions, the Board of Directors will endeavour to maintain 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

	<b>Current Quarter 30.9.2012 RM'000</b>	<b>Cumulative Quarters Current Year To Date 30.9.2012 RM'000</b>
(Loss)/Profit before tax is Arrived at after charging/(crediting)		
Other income	(1,082)	(1,082)
Interest expense	3,451	3,451
Amortization and depreciation	10,359	10,359

# PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

### 18. Income Tax

Taxation comprises the following:-

	Current Quarter 30.9.2012 RM'000	Cumulative Quarters Current Year To Date 30.9.2012 RM'000
Current taxation	0	0
Deferred taxation	775	775
	<u>775</u>	<u>775</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 year 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 were no Corporate Proposals announced and not completed for current quarter.

# PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

### 22. Retained Earnings

	As at 30.09.2012 RM'000		As at 30.06.2012 RM'000
Total retained earnings of the Group;			
-Realised	190,657		197,681
-Unrealised	(8,231)	-	(9,006)
	182,426		188,675
Less: Consolidation adjustments	(57,269)	-	(57,358)
Total Group retained earnings as per Consolidated accounts	125,157	-	131,317

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

### 23. Borrowings

Long Term borrowings as at 30 September 2012:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	133,945	-	133,945
2) Hire Purchase Creditors	9,281	-	9,281
	143,226	-	143,226

Short Term borrowings as at 30 September 2012:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	13,735	-	13,735
2) Hire Purchase Creditors	33,273	-	33,273
	47,008	-	47,008

# PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Total group borrowings as at 30 September 2012:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	147,680	-	147,680
2) Hire Purchase Creditors	42,554	-	42,554
	<u>190,234</u>	<u>-</u>	<u>190,234</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.

### 27. Earnings / (Loss) Per Share

#### (a) Basic

Basic earnings per share amounts are calculated by dividing the net profit 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.

# PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Individual Quarter		Cumulative Quarters	
	3 months ended		3 months ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
<b>Basic earnings per share</b>				
Net profit / (loss) (RM'000)	(6,160)	448	(6,160)	448
Weighted average number of ordinary shares in issue ('000)	173,712	173,712	173,712	173,712
Basic earnings/(loss) per share (sen)	(3.55)	0.26	(3.55)	0.26

### (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.