



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

Statements of comprehensive income
For the financial year ended 30 June 2017

| | INDIVIDUAL QUARTERS | | CUMULATIVE QUARTERS | |
|---|---------------------|--------------------|---------------------|--------------------|
| | 30.06.17 RM'000 | 30.06.16 RM'000 | 30.06.17 RM'000 | 30.06.16 RM'000 |
| Revenue | 59,204 | 48,759 | 170,168 | 166,938 |
| Cost of sales | (50,835) | (36,203) | (131,929) | (127,297) |
| Gross Profit | 8,369 | 12,556 | 38,239 | 39,641 |
| | | | | |
| Other items of income | 1,132 | 9,687 | 3,466 | 15,820 |
| | | | | |
| Other items of expenses | | | | |
| Administration expenses | (7,926) | (5,476) | (18,752) | (16,916) |
| Other operating expenses | (894) | (8,596) | (906) | (7,920) |
| Selling expenses | (3,043) | (2,525) | (11,088) | (11,702) |
| Finance costs | 2,373 | (4,987) | (9,040) | (17,282) |
| Profit / (Loss) before tax | 11 | 659 | 1,919 | 1,640 |
| | | | | |
| Income tax expenses | 3,023 | (385) | 2,759 | (721) |
| Profit / (Loss) after tax | 3,034 | 274 | 4,678 | 919 |
| | | | | |
| Other comprehensive income / (loss) | 1,469 | 1,392 | 2,244 | 597 |
| Total comprehensive income / (loss) | 4,503 | 1,666 | 6,922 | 1,516 |
| | | | | |
| Profit / (Loss) attributable to: | | | | |
| Owners of the parent | 3,059 | 186 | 4,703 | 831 |
| Non-controlling interests | (25) | 88 | (25) | 88 |
| | 3,034 | 274 | 4,678 | 919 |
| | | | | |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the parent | 4,528 | 1,578 | 6,947 | 1,428 |
| Non-controlling interests | (25) | 88 | (25) | 88 |
| | 4,503 | 1,666 | 6,922 | 1,516 |
| | | | | |
| Earnings per share attributable to owners of the parent (sen per share): | | | | |
| Basic | 0.39 | 0.03 | 0.66 | 0.22 |



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED BALANCE SHEETS

Statements of financial position

As at 30 June 2017

| | AS AT END OF CURRENT QUARTER (UNAUDITED) 30.06.2017 RM'000 | AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED) 30.06.2016 RM'000 |
|--|---|--|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 224,783 | 246,943 |
| Biological assets | 96,743 | 80,902 |
| Land use rights | 13,885 | 13,762 |
| Intangible assets | 33,486 | 36,889 |
| Deferred tax assets | 14,159 | 14,159 |
| | <u>383,056</u> | <u>392,655</u> |
| Current assets | | |
| Inventories | 42,576 | 40,541 |
| Trade and other receivables | 47,222 | 65,424 |
| Prepayments | 15,882 | 7,122 |
| Cash and bank balances | 906 | 12,720 |
| | <u>106,586</u> | <u>125,807</u> |
| Total assets | 489,642 | 518,462 |
| Equity and liabilities | | |
| Current liabilities | | |
| Loans and borrowings | 45,664 | 139,450 |
| Trade and other payables | 27,857 | 57,420 |
| Income tax payable | 28 | 53 |
| | <u>73,549</u> | <u>196,923</u> |
| Net current assets / (liabilities) | 33,037 | (71,116) |
| Non-current liabilities | | |
| Loans and borrowings | 86,527 | 23,211 |
| Deferred tax liabilities | 20,952 | 23,777 |
| | <u>107,479</u> | <u>46,988</u> |
| Total liabilities | 181,028 | 243,911 |
| Net assets | 308,614 | 274,551 |
| Equity attributable to owners of the parent | | |
| Share capital | 93,075 | 65,459 |
| Share premium | 75,927 | 76,034 |
| Other reserves | 76,461 | 74,586 |
| Treasury shares | (10,324) | (10,324) |
| Retained earnings | 73,723 | 69,019 |
| | <u>308,862</u> | <u>274,774</u> |
| Non-controlling interests | (248) | (223) |
| Total equity | 308,614 | 274,551 |
| Total equity and liabilities | 489,642 | 518,462 |
| Net assets per share (RM) | 0.44 | 0.42 |



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

| | Attributable to Equity Holders of the Parent | | | | Attributable to Equity Holders of the Parent | | | Total Equity RM'000 | | | |
|---|--|----------------------------|------------------------------|----------------------------|--|-----------------------------------|------------------------------|---------------------------|---|-------|---------|
| | Share Capital RM'000 | Share Premium RM'000 | Warrant Reserve RM'000 | Other 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 | | |
| At 1 July 2016 | 65,459 | 76,034 | - | 74,511 | 75 | 74,586 | (10,324) | 69,019 | 274,774 | (223) | 274,551 |
| Total comprehensive income/(loss) | - | - | - | - | 1,875 | 1,875 | - | 4,704 | 6,579 | (25) | 6,554 |
| Issuance of shares | 27,616 | - | - | - | - | - | - | - | 27,616 | - | 27,616 |
| Share issuance expenses | - | (107) | - | - | - | - | - | - | (107) | - | (107) |
| At 30 June 2017 | 93,075 | 75,927 | - | 74,511 | 1,950 | 76,461 | (10,324) | 73,723 | 308,862 | (248) | 308,614 |
| At 1 July 2015 | 46,670 | 75,855 | 4,343 | 74,511 | (524) | 78,330 | (10,324) | 63,506 | 254,037 | 27 | 254,064 |
| Transfer of Warrant Reserve to Other Reserve on Expiry of Warrants | - | - | (4,343) | - | - | (4,343) | - | 4,343 | - | - | - |
| Total comprehensive income | - | - | - | - | 599 | 599 | - | 1,170 | 1,769 | (250) | 1,519 |
| Issuance of shares : | | | | | | | | | | | |
| - On Conversion of Redeemable Convertible Notes | 18,789 | 1,210 | - | - | - | - | - | - | 19,999 | - | 19,999 |
| - Share issue expenses | - | (1,031) | - | - | - | - | - | - | (1,031) | - | (1,031) |
| Dividend on Ordinary Shares | - | - | - | - | - | - | - | - | - | - | - |
| At 30 June 2016 | 65,459 | 76,034 | - | 74,511 | 75 | 74,586 | (10,324) | 69,019 | 274,774 | (223) | 274,551 |

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

| | 12 months ended 30.06.17 RM'000 | 12 months ended 30.06.16 RM'000 |
|--|--|--|
| Net profit before tax | 1,919 | 1,641 |
| Adjustments for:- | | |
| Amortisation of land used right | 216 | 267 |
| Depreciation of property, plant and equipment | 25,452 | 34,130 |
| Impairment Loss on property, plant and equipment | 1,875 | 7,797 |
| Gain on disposal of property, plant and equipment | (625) | (9,637) |
| Amortisation of timber rights | 2,640 | 2,979 |
| Interest expense | 9,040 | 17,282 |
| Operating profit before changes in working capital | 40,517 | 54,459 |
| Changes in working capital: | | |
| (Increased)/Decreased in inventories | (2,035) | (897) |
| (Increased)/Decreased in receivables | 18,202 | (18,651) |
| (Increased)/Decreased in prepayments | 1,240 | - |
| Increased/(Decreased) in payables | (29,563) | (13,112) |
| Net cash from operation | 28,361 | 21,799 |
| Interest paid | (9,040) | (14,985) |
| Tax paid | (5) | (11) |
| Net cash generated from operating activities | 19,316 | 6,803 |
| Investing activities | | |
| Purchase of plant and equipment | (15,667) | (9,769) |
| Acquisition of intangible assets | - | - |
| Payment for forest planting expenditure | (15,841) | (20,812) |
| Proceeds from disposal of plant and equipment | 1,357 | 25,894 |
| Deposit paid for acquisition of timber concession company | (10,000) | - |
| Net cash used in investing activities | (40,151) | (4,687) |
| Financing activities | | |
| Proceeds from issuance of Redeemable Convertible Notes | - | 18,968 |
| Proceeds from issuance of shares | 27,616 | - |
| Proceeds from Loan Drawdown / Hire Purchase | 10,000 | - |
| Repayment of Bank Borrowings | (30,470) | (12,350) |
| Net cash from financing activities | 7,146 | 6,618 |
| Net Increase/(decrease) in cash and cash equivalents | (13,689) | 8,734 |
| Effect of exchange rate changes on cash and cash equivalents | 1,875 | 171 |
| Cash and cash equivalents at beginning of the year | 12,720 | 3,815 |
| Cash and cash equivalents at end of year | 906 | 12,720 |
| Cash and cash equivalents at end of the year comprise the following: | | |
| | RM'000 | RM'000 |
| Fixed deposits with licenced banks | - | - |
| Cash and bank balances | 906 | 12,720 |
| | 906 | 12,720 |

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

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 2016. 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 2016. 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 2016.

On 19 November 2011, the 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 subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*, including its parent, significant investor and venture (herein called “Transitioning Entities”). Transitioning Entities will be allowed to defer adoption of the new MFRS framework for an additional Six (6) years. Consequently, adoption of the MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS framework in their first MFRS financial statements for the financial year ending 30 June 2019. In presenting their first MFRS financial statements, the Group and the Company 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.

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

Effective for annual periods commencing on or after 1 January 2017

- Disclosure Initiative (Amendments to FRS 107)
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 112)

Effective for annual periods commencing on or after 1 January 2018

- Classification and Measurement of Share-based Payment Transaction (Amendments to FRS 2)
- Financial Instruments (FRS 9)

The statutory financial statements for the year ended 30 June 2016 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 2016 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 year.

5. **Changes in Estimates**

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

PRICWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

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 30.06.2016: 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 30 June 2017:

| | Number Of Shares | Cost (RM) |
|--|---------------------|--------------|
| Balance as at 01 July 2016 | 12,562,832 | 10,324,612 |
| Increase / (Decrease) in treasury shares | 0 | 0 |
| Total treasury shares as at 30 June 2017 | 12,562,832 | 10,324,612 |

10. Changes in the Composition of the Group

There was no changes in the composition of the Group during the quarter.

11. Contingent Liabilities and Contingent Assets

Guarantees

The Company has provided 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 30.06.2017 amounted to RM10,022,743.00.

12. Subsequent Events

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

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

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 RM59 million, 20% increase in revenue when compared with the RM49 million in the corresponding quarter 30.06.2016. The Group also recorded a profit before tax of RM0.01 million compared to a profit before tax of RM0.7 million in the corresponding quarter 30.06.2016.

The increased in sales revenue is due to increase in production volume and slight decrease in profit before tax is due to mobilisation and road and bridges maintenance for the operation in new concession area of FMU 5.

14. Variation of Result to immediate preceding quarter

For the current quarter under review, the Group posted revenue of RM59 million compared to RM44 million in the immediate preceding quarter. The profit before tax is RM0.01 million compared to a profit before tax of RM0.4 million in the immediate preceding quarter.

The increased in sales revenue is due to increase in production volume and slight decrease in profit before tax is due to mobilisation and road and bridges maintenance for the operation in new concession area of FMU 5.

15. Company's Prospects

The outlook for Malaysian timber industry remains stable with stable selling price in Japan and China as well as in other Asian countries. The outlook for demand of timber from Japan and China, who are major purchasers of plywood and round logs respectively is promising with growth from various positive factors and a stabilizing economy.

However, during the financial year ended 30 June 2017, the Group is still facing shortage of raw materials. In order to increase the production level, the Group is actively sourcing for a more sustainable supply of raw materials beside actively developing forest re-plantation areas.

In this regards, the Group has made significant progress in this area and had announced on 21 October 2016, the Proposed Acquisition of (Forest Management Unit) FMU 5 comprising of 101,161 hectares in the State of Sabah which has been granted permission to plant, rehabilitate and harvest forests under the principles of sustainable forest management and environmental conservation for economic, environmental and social purposes.

In addition, the Group had on 17 May 2017 announced that the Sabah Forestry Department has approved the commencement of operations in 2017 for Compartment 57 and Compartment 58 within the FMU 5. Apart from this, other Conditions Precedent as stipulated in the Sale & Purchase Agreement for the acquisition of FMU 5 has yet to be fulfilled at this juncture.

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

With the proposed acquisition of FMU 5 and given the knowledge, capacity and competency that the Group has acquired and built up over the years, and the on-going financial restructuring schemes, the Group is confident to achieve optimum production cost efficiency

which translate to maximize profits. As such, the Group is of the view that its near future prospect is good.

For the financial year 2017/2018, barring any unforeseen circumstances, the Board of Directors expect to improve the Group's performance and the Group will continue to assess its internal and external risks and implement strategies to secure sustainable raw material supply, 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 Profit before tax

| | Current Quarter 30.06.2017 RM'000 | Cumulative Quarters Current Year To Date 30.06.2017 RM'000 |
|---------------------------------------|--|---|
| Profit before tax is | | |
| Arrived at after charging/(crediting) | | |
| Other income | (1,132) | (3,466) |
| Interest expense | (2,373) | 9,040 |
| Amortization and depreciation | 4,814 | 28,308 |

18. Income Tax

Taxation comprises the following:-

| | Current Quarter 30.06.2017 RM'000 | Cumulative Quarters Current Year To Date 30.06.2017 RM'000 |
|-------------------|--|---|
| Current taxation | - | - |
| Deferred taxation | 3,023 | 2,759 |
| | 3,023 | 2,759 |

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

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

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

(a) The company has on 8 October 2016 and 19 October 2016 approved and announced the corporate proposals as follows:-

- (i) GSR Pte. Ltd., the wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement (“SPA”) with Transkripsi Pintar Sdn. Bhd. (Transkripsi), for the acquisition of the entire issued and paid up share capital of Rumpunan Capaian Sdn. Bhd. (Rumpun) for a purchase consideration of RM260,000,000 upon such terms and conditions as stipulated in the SPA;
- (ii) Rumpun is the holding company of Anika Desiran Sdn Bhd which has been awarded a 100-year concession on 10 September 1997 to carry out harvesting, forest management and rehabilitation, and industrial tree planting under the principles of sustainable forest management and environmental conservation for economic, environmental and social purposed within the forest reserve area comprising 101,161 hectares in Trus Madi, Sabah known as Forest Management Unit 5 (“FMU”);
- (iii) Concurrently with the execution of SPA, Sinora Sdn. Bhd. (Sinora), the wholly owned subsidiary of the Company, would also enter into a Log Extraction and Timber Sale Agreement with Anika Desiran Sdn. Bhd. (Anika), 99.99% owned subsidiary of Rumpun, to allow Sinora (by way of an irrevocable power of attorney in favour of Sinora) to extract all commercial logs within the forest reserve area; within the areas identified in the coupe permits as Compartment 57 (733.6 hectares) and Compartment 58 (1,026.2 hectares) within the ITP area with a combined area of 1,759.8 hectares and such other areas covered under any other new coupe permits issued for other compartments within Licensed Area

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

from the date of the relevant coupe permits;

- (iv) A proposed private placement of up to 64,203,342 new PIB shares representing 10% of the existing issued and paid up share capital of the Company to third party investors at an issue price to be determined;
 - (v) A proposed special issue of up to 141,247,353 new PIB shares to independent third party investor(s);
 - (vi) A proposed renounceable two-call rights issue of up to 1,694,968,244 new PIB Shares (2 Rights Shares for every 1 existing PIB shares held) together with a bonus issue of up to 847,484,122 new PIB bonus shares (1 Bonus Share for every Rights Shares);
 - (vii) The proposed increase in authorized share capital of the Company from RM200,000,000 comprising of 2,000,000,000 shares to RM350,000,000 comprising of 3,500,000,000 shares;
 - (viii) The proposed amendment to the Memorandum of Association of the Company;
 - (ix) The proposed acquisition of Sinora by GSR at net book value (“Proposed Acquisition of Sinora”); and
 - (x) The proposed listing GSR on the Singapore Exchange Securities Trading Limited (SGX) upon completion of the Proposed Listing.
- (b) The first (1st) Tranche of the Proposed Private Placement for 44,000,000 new PIB shares have been completed following the listing of shares on the Main Market of Bursa Malaysia Securities on 29 December 2016 as stated in Note 21 (a) (iv) above.
- (c) On 23 January 2017, the second (2nd) and final Tranche of the Private Placement has been completed following the listing of and quotation for the 20,203,342 Placement Shares in the Main Market of Bursa Malaysia Securities Berhad as stated in Note 21 (a) (iv) above.
- (d) In view of the implementation of the new Companies Act 2016 on 31 January 2017, all shares are now converted into no par value regime and the concept of authorised share capital is no longer applicable. In view thereof, the Proposed Increase in Authorised Share Capital and the Proposed Amendment are no longer required.
- (e) On 7 March 2017, the Company had entered into the Subscription Agreement for the proposed issuance and allotment of up to 215,639,880 new PWI Shares (provided the total new PWI Shares to be subscribed by the Subscribers shall not exceed 30% of the existing voting shares of our Company).

Pursuant to the Subscription Agreement, the new PWI Shares to be issued under the Proposed Special Issue had been increased from 141,247,353 new PWI Shares as announced on 19 October 2016, to up to 215,639,880 new PWI Shares. In this respect,

PRICEWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

the number of PWI Shares to be issued pursuant to the Proposed Right Issue as announced on 19 October 2016, will be adjusted accordingly.

- (f) On 17 May 2017, the Company was informed by the Transkripsi Pintar Sdn Bhd that the Sabah Forestry Department has given approval for Anika Desiran Sdn Bhd to commence operations in 2017 for Compartment 57 and Compartment 58 within FMU 5.
- (g) On 1 June 2017, the Special Issue has been completed following the listing of and quotation for the 211,871,030 Special Issue Shares on the Main Market of Bursa Malaysia Securities Berhad.
- (h) On 3 July 2017, a listing application in relation to the Proposed Acquisition and Proposed Rights Issue has been submitted to Bursa Malaysia Securities Berhad.

22. Retained Earnings

| | As at 30.06.2017 RM'000 | As at 30.06.2016 RM'000 |
|--|-------------------------------|-------------------------------|
| Total retained earnings of the Group; | | |
| -Realised | 100,920 | 89,438 |
| -Unrealised | 5,188 | 9,617 |
| | 106,108 | 99,055 |
| Less: Consolidation adjustments | (32,385) | (30,036) |
| Total Group retained earnings as per Consolidated accounts | 73,723 | 69,019 |

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 June 2017:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|----------------------------|-------------------|---------------------|-----------------|
| 1) Term Finance | 81,350 | - | 81,350 |
| 2) Hire Purchase Creditors | 5,177 | - | 5,177 |
| | 86,527 | - | 86,527 |

PRICWORTH INTERNATIONAL BERHAD

(Company No: 399292-V)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

Short Term borrowings as at 30 June 2017:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|----------------------------|-------------------|---------------------|-----------------|
| 1) Term Finance | 40,819 | - | 40,819 |
| 2) Hire Purchase Creditors | 4,845 | - | 4,845 |
| | <u>45,664</u> | <u>-</u> | <u>45,664</u> |

Total group borrowings as at 30 June 2017:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|----------------------------|-------------------|---------------------|-----------------|
| 1) Term Finance | 122,169 | - | 122,169 |
| 2) Hire Purchase Creditors | 10,022 | - | 10,022 |
| | <u>132,191</u> | <u>-</u> | <u>132,191</u> |

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

There was no material litigation for the financial period under review.

26. Dividend Declared

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

27. Earnings 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 YEAR ENDED 30 JUNE 2017

| | Individual Quarter 3 months ended | | Cumulative Quarters 12 months ended | |
|--|--------------------------------------|------------|--|------------|
| | 30.06.2017 | 30.06.2016 | 30.06.2017 | 30.06.2016 |
| Basic earnings per share | | | | |
| Net profit (RM'000) | 3,059 | 186 | 4,703 | 1,291 |
| Weighted average number of ordinary shares in issue ('000) | 790,680 | 654,596 | 708,335 | 578,894 |
| Basic earnings per share (sen) | 0.39 | 0.03 | 0.66 | 0.22 |
| Diluted earnings per share (sen) | N/A | N/A | N/A | N/A |