



PRICEWORTH INTERNATIONAL BERHAD [199601026940 (399292-V)]

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020

Statements of comprehensive income

For the financial period ended 31 December 2020

	INDIVIDUAL QUARTERS		CUMULATIVE QUARTERS	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Revenue	3,585	4,448	10,172	17,306
Cost of sales	(7,371)	(15,549)	(14,466)	(35,637)
Gross Profit / (Loss)	(3,786)	(11,101)	(4,294)	(18,331)
Other items of income	3,320	2,914	5,553	7,105
Other items of expenses				
Administration expenses	(1,557)	(304)	(3,265)	(2,450)
Other operating expenses	(4,691)	-	(9,688)	-
Selling expenses	(34)	(68)	(34)	(609)
Finance costs	(665)	(454)	(1,325)	(963)
Profit / (Loss) before tax	(7,413)	(9,013)	(13,053)	(15,248)
Income tax expenses	-	-	(1)	-
Profit / (Loss) after tax	(7,413)	(9,013)	(13,054)	(15,248)
Other comprehensive income / (loss)	-	-	(2)	(2)
Total comprehensive income / (loss)	(7,413)	(9,013)	(13,056)	(15,250)
Profit / (Loss) attributable to:				
Owners of the parent	(7,413)	(9,013)	(13,054)	(15,248)
Non-controlling interests	-	-	-	-
	(7,413)	(9,013)	(13,054)	(15,248)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(7,413)	(9,013)	(13,056)	(15,250)
Non-controlling interests	-	-	-	-
	(7,413)	(9,013)	(13,056)	(15,250)
Earnings / (Loss) per share attributable to owners of the parent (sen per share):				
Basic	(0.17)	(0.22)	(0.30)	(0.37)



PRICWORTH INTERNATIONAL BERHAD [199601026940 (399292-V)]

CONDENSED CONSOLIDATED BALANCE SHEETS

Statements of financial position

As at 31 December 2020

	AS AT END OF CURRENT QUARTER (UNAUDITED) 31.12.2020 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED) 30.06.2020 RM'000
Assets		
Non-current assets		
Property, plant and equipment	144,407	157,243
Biological assets	134,700	134,700
Land use rights	12,581	12,690
Intangible assets	9,959	9,959
	<u>301,647</u>	<u>314,592</u>
Current assets		
Inventories	7,003	7,381
Trade and other receivables	6,859	10,051
Prepayments	-	-
Cash and bank balances	2,977	4,072
	<u>16,839</u>	<u>21,504</u>
Total assets	318,486	336,096
Equity and liabilities		
Current liabilities		
Loans and borrowings	25,256	24,618
Trade and other payables	53,311	65,695
Income tax payable	(2)	6
	<u>78,565</u>	<u>90,319</u>
Net current assets / (liabilities)	(61,726)	(68,815)
Non-current liabilities		
Loans and borrowings	11,125	11,125
Deferred tax liabilities	25,126	25,126
	<u>36,251</u>	<u>36,251</u>
Total liabilities	114,816	126,570
Net assets	203,670	209,526
Equity attributable to owners of the parent		
Share capital	375,178	367,978
Other reserves	1,467	1,469
Accumulated Losses	(172,591)	(159,537)
	<u>204,054</u>	<u>209,910</u>
Non-controlling interests	(384)	(384)
Total equity	203,670	209,526
Total equity and liabilities	318,486	336,096
Net assets per share (RM)	0.05	0.05



PRICEWORTH INTERNATIONAL BERHAD [199601026940 (399292-V)]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Attributable to Equity Holders of the Parent										Non-controlling Interest	Total Equity
	Share Capital	Share Premium	< Non - Distributable >			Other Reserve, Total	Treasury Shares	Distributable Retained Earnings / (Accumulated Losses)	Total	Non-controlling Interest		
			Warrant Reserve	Other Reserve	Foreign Currency Translation Reserve							
At 1 October 2020	367,978	-	-	1,469	-	1,469	-	(159,537)	209,910	(384)	209,526	
Total comprehensive income/(loss)	-	-	-	-	-	(2)	-	(13,054)	(13,056)	-	(13,056)	
Proceed from issuance of Private Placement	7,200	-	-	-	-	-	-	-	7,200	-	7,200	
At 31 December 2020	375,178	-	-	1,469	-	1,467	-	(172,591)	204,054	(384)	203,670	
At 1 October 2019	366,052	-	-	1,406	-	1,406	-	(81,855)	285,603	(380)	285,223	
Total comprehensive income	-	-	-	-	-	-	-	(15,248)	(15,248)	-	(15,248)	
At 31 December 2019	366,052	-	-	1,406	-	1,406	-	(97,103)	270,355	(380)	269,975	

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)



PRICEWORTH INTERNATIONAL BERHAD [199601026940 (399292-V)]

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

	6 months ended 31.12.20 RM'000	6 months ended 31.12.19 RM'000
Net profit / (loss) before tax	(13,053)	(15,248)
Adjustments for:-		
Amortisation of land used right	109	108
Depreciation of property, plant and equipment	12,597	12,129
Impairment Loss on property, plant and equipment	-	-
(Gain) / Loss on disposal of property, plant and equipment	(2,788)	(6,283)
Interest expense	1,325	963
Operating profit / (loss) before changes in working capital	(1,810)	(8,331)
Changes in working capital:		
(Increase)/Decrease in inventories	378	5,254
(Increase)/Decrease in receivables	3,192	11,616
Increase/(Decrease) in payables	(12,384)	(15,521)
Net cash from / (used in) operation	(10,624)	(6,982)
Interest paid	(1,325)	(963)
Tax paid	(9)	-
Net cash generated from / (used in) operating activities	(11,958)	(7,945)
Investing activities		
Purchase of plant and equipment	(114)	-
Proceeds from disposal of plant and equipment	3,141	7,868
Net cash from / (used in) investing activities	3,027	7,868
Financing activities		
Proceeds from issuance of Private Placement	7,200	-
Drawdown/(Repayment) of Bank Borrowings	638	(363)
Net cash from / (used in) financing activities	7,838	(363)
Net increase/(decrease) in cash and cash equivalents	(1,093)	(440)
Effect of exchange rate changes on cash and cash equivalents	(2)	-
Cash and cash equivalents at beginning of the year	4,072	798
Cash and cash equivalents at end of year	2,977	358
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	2,977	358
	2,977	358

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard (MFRS) 134: 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 MFRS 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 2020. 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 2020. The condensed consolidated interim financial report and notes there on do not include all of the information required for a full set of financial statements prepared in accordance with MFRS.

A2. Change in Accounting Policies

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2020 of the Group, except the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations effective for the financial period beginning on or after 1 January 2020:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensations
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Venture
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improved to MFRSs 2015 – 2017 Cycle	

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any material financial impact on these condensed consolidated financial statements.

The followings MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and 108	Definition of Material
Amendments to MFRS 7, 9 and 139	Interest Rate Benchmark Reform

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group: (continue)

MFRSs, Interpretations and Amendments effective for a annual periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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MFRSs, Interpretations and Amendments which effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between Investors and its Associate or Joint Venture
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The directors anticipate that the abovementioned MFRSs, Interpretations and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these MFRSs, Interpretations and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

A3. Auditors' Report on Preceding Annual Financial Statements

The Group's audited financial statements for the financial year ended 30 June 2020 was not qualified.

A4. 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.

A5. Items of Unusual Nature

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

A6. Material Changes in Estimates

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

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

A7. Changes in Debts and Equity Securities

During the current quarter, the company did not issue any debts and equity securities.

A8. Dividend Paid

No dividend was paid during the current quarter under review. No dividend has been proposed by the Directors for the quarter under review (corresponding period 30.06.2020 : Nil).

A9. 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.

A10. Valuation of Property, Plant and Equipment

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

A11. Change in Contingent Liabilities or 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 31.12.2020 amounted to RM588,316.00.

A12. Material Events Subsequent to the Reporting Period

There were no material events subsequent.

A13. Changes in the Composition of the Group

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

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

A14. Related Party Transactions

There are no other significant related party transactions except for the followings:

Name of related party	Type of Transactions	Transactions Value for the period ended		Balance Outstanding as at	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		RM	RM	RM	RM
Green Edible Oil Sdn Bhd	Rental Income	45,000	45,000	-	-
KHB Nusantara Sdn Bhd	Rental Income	60,000	-	-	-
Lim Nyuk Foh	Rental Expenses	42,300	84,600	11,800	-
Rantau Hartawan Sdn Bhd	Rental Expenses	23,200	-	11,600	-

PRICWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

PART B:
ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF
BURSA MALAYSIA SECURITIES BERHAD
(PART A OF APPENDIX 9B)

B1. Review of Performance of the Group

(a) Comparison of the current quarter against the corresponding quarter

	Current year quarter 31.12.2020 RM'000	Preceding year corresponding quarter 31.12.2019 RM'000	Changes %
Revenue	3,585	4,448	-19%
Operating Loss	(3,786)	(11,101)	-66%
Non-operating income	3,320	2,914	14%
Loss before tax	(7,413)	(9,013)	-18%
Loss after tax	(7,413)	(9,013)	-18%
Loss attributable to owners of the parent	(7,413)	(9,013)	-18%

For the current quarter under review, the Group recorded revenue of RM3.5 million, which is 19% lower compared to RM4.4 million recorded in the corresponding quarter of last financial year. The Group also recorded a loss before tax of RM7.4 million, which is 18% lower compared to a loss before tax of RM9.0 million in the corresponding quarter of last financial year.

The decrease in revenue was mainly due to decrease in sales of round logs, plywood and sawn timber during the quarter. The decrease in losses was mainly due to the decrease in operation expenses during the current quarter.

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(b) Comparison of the current year to-date against the corresponding period

	Current year to date 31.12.2020 RM'000	Preceding year corresponding period 31.12.2019 RM'000	Changes %
Revenue	10,172	17,306	-41%
Operating Loss	(4,294)	(18,331)	-77%
Non-operating income	5,553	7,105	-22%
Loss before tax	(13,053)	(15,248)	-14%
Loss after tax	(13,054)	(15,248)	-14%
Loss attributable to owners of the parent	(13,056)	(15,250)	-14%

For the current year to-date under review, the Group recorded revenue of RM10.1 million, which is lower if compared to the corresponding period of last financial year. The Group also recorded a loss before tax of RM13.1 million, which is 14% lower compared to a loss before tax of RM15.2 million in the corresponding period of last financial year.

The decrease in losses was mainly due to the decrease in operating expenses during the current quarter.

B2. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 31.12.2020 RM'000	Immediate preceding quarter 30.09.2020 RM'000	Changes %
Revenue	3,585	6,587	-46%
Operating Loss	(3,786)	(508)	645%
Non-operating income	3,320	2,233	49%
Loss before tax	(7,413)	(5,640)	31%
Loss after tax	(7,413)	(5,641)	31%
Loss attributable to owners of the parent	(7,413)	(5,643)	31%

For the current quarter under review, the Group posted revenue of RM3.5 million compared to RM6.5 million in the immediate preceding quarter. The loss before tax was RM7.4 million compared to a loss before tax of RM5.6 million in the immediate preceding quarter.

The increase in losses in the current quarter was mainly due to the decrease in sales of round logs, plywood and sawn timber compare to the immediate preceding quarter.

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

B3. Commentary on prospects

The global timber market is expected to be uncertain for the financial year. The Covid-19 pandemic had impacted the global economy significantly, any sign of recovery is still uncertain for the time being. The Group's operation was affected by the pandemic due to the implementation of Movement Control Order ("MCO") by the government since 18 March 2020 and subsequently CMCO and re-introduce of MCO 2.0. These had largely affected the Group operation during the year. The Management had implemented cost cutting measures in order to mitigate the impact of stop operation during the MCO period and the weak global economy.

The Board remains cautious on the outlook of the Group in view of the Covid-19 pandemic and the uncertainty of the world's demand of timber products.

B4. Profit Forecast or Profit Guarantee

This is not applicable as there is no profit forecast nor profit guarantee were given.

B5. Income Tax Expense

Taxation comprises the following:-

	Current Quarter Year To Date 31.12.2020 RM'000	Cumulative Quarters Current Year To Date 31.12.2020 RM'000
Current taxation	-	-
Deferred taxation	-	(1)
	-	(1)

B6. Status of Corporate Proposals

There are no corporate proposals announced as at the date of this report.

PRICWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

B7. Status of Utilisation of Proceeds Raised From Corporate Proposal

(a) Utilisation of Proceeds from Private Placement

The fund utilization of the Private Placement are stated below :

	Proceeds from Issuance of shares	Date	RM
1	1st Tranche	24.06.2020	2,025,000
2	2nd Tranche	05.08.2020	1,215,000
3	3rd Tranche	19.08.2020	3,284,766
4	4th Tranche	22.09.2020	2,700,000
			9,224,766
	Utilisations up to 22.02.2021	Proposed (RM)	Actual (RM)
1	Repayment of bank borrowings	10,000,000	2,527,981
2	Infrastructure cost for logging and working capital	10,358,000	6,589,905
3	Estimated expenses	117,000	106,880
	Total proceeds	20,475,000	9,224,766

B8. Borrowings

Long Term borrowings as at 31 December 2020:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	11,125	-	11,125
2) Hire Purchase Creditors	-	-	-
Total	11,125	-	11,125

Short Term borrowings as at 31 December 2020:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	24,668	-	24,668
2) Hire Purchase Creditors	588	-	588
Total	25,256	-	25,256

Total group borrowings as at 31 December 2020:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	35,793	-	35,793
2) Hire Purchase Creditors	588	-	588
Total	36,381	-	36,381

PRICWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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 soft loan under Maxland Sdn Bhd secured by a first party deed of assignment assigning to the lender all its harvesting rights of the planted timber in favor of the lender.

B9. Material Litigation

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

B10. 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 Quarter 12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Basic losses per share				
Net (Loss) (RM'000)	(7,413)	(9,013)	(13,054)	(15,248)
Weighted average number of ordinary shares in issue ('000)	4,351,414	4,094,923	4,294,499	4,094,923
Basic (Loss) per share (sen)	(0.17)	(0.22)	(0.30)	(0.37)
Diluted earning per share (sen)	N/A	N/A	N/A	N/A

B11. Derivative Financial Instruments

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

PRICEWORTH INTERNATIONAL BERHAD

[Company No : 199601026940 (399292-V)]

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

B12. (Loss) / Profit before Tax

	Current Quarter Year To Date 31.12.2020 RM'000	Cumulative Quarters Current Year To Date 31.12.2020 RM'000
Loss before tax is		
Arrived at after charging/(crediting)		
Other income	3,320	5,553
Interest expense	665	1,325
Amortization and depreciation	6,460	12,706

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