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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Circular in relation to the Proposed Amendments (as defined in this Circular) as such contents fall under the category of Exempt Circulars pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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PLS PLANTATIONS BERHAD

*Registration No. 198701001365 (160032-K)
(Incorporated in Malaysia)*

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED ISSUE OF 175,350,000 NEW FREE WARRANTS ("WARRANTS") IN PLS PLANTATIONS BERHAD ("PLS" OR "COMPANY") ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) ORDINARY SHARES IN PLS ("PLS SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;**
- (II) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,052,100,000 NEW REDEEMABLE PREFERENCE SHARES IN PLS ("RPS") AT AN ISSUE PRICE OF RM1.00 PER RPS ON THE BASIS OF TWO (2) RPS FOR EVERY ONE (1) PLS SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER; AND**
- (III) PROPOSED AMENDMENTS TO THE CONSTITUTION OF PLS**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



Maybank Investment Bank Berhad (15638-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser



Astramina Advisory Sdn Bhd
Registration No. 200801009417 (810705-K)
(A licensed corporate finance advisory firm)

The Notice of Extraordinary General Meeting ("**EGM**") and the Proxy Form are enclosed in this Circular. The details of our EGM are as follows:

Date and time of our EGM : Thursday, 13 February 2020 at 11.00 a.m.
Venue of our EGM : Oriental Star, 2nd Floor, EkoCheras Mall, No. 693, Batu 5, Jalan Cheras, 56000 Kuala Lumpur
Last date and time for lodging the Proxy Form : Tuesday, 11 February 2020 at 11.00 a.m.

This Circular is dated 22 January 2020

DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise:

Act	:	Companies Act 2016
Announcement LTD	:	22 October 2019, being the last trading day prior to our Company's announcement on 25 October 2019 in relation to the Proposals
Astramina or Financial Adviser	:	Astramina Advisory Sdn Bhd
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAGR	:	Compound annual growth rate
Circular	:	This circular to our shareholders in relation to the Proposals dated 22 January 2020
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
Deed Poll	:	The deed poll constituting the Warrants to be executed by our Company
EB	:	Ekovest Berhad
EGM	:	Extraordinary general meeting
EPS	:	Earnings per PLS Share
Exercised Shares	:	New PLS Shares to be issued upon exercise of the Warrants
Foreign Addressed Shareholders	:	Rights Entitled Shareholders who have not provided an address in Malaysia for the service of documents to be issued for purposes of the Proposed Rights Issue
FYE	:	Financial year ended/ending, as the case may be
GACC	:	General Administration of Customs of People's Republic of China
Issue Price	:	RM1.00 per RPS
kg	:	Kilogram
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 December 2019, being the latest practicable date prior to the printing of this Circular
LTD	:	21 January 2020, being the last full trading day prior to the printing of this Circular
Market Day	:	A day on which the stock market of Bursa Securities is open for trading in securities

DEFINITIONS *(Cont'd)*

Maximum Scenario	: Assuming all the Warrants are exercised into new PLS Shares prior to the Rights Entitlement Date and the Proposed Rights Issue is fully subscribed by all the Rights Entitled Shareholders
Maybank IB or Principal Adviser	: Maybank Investment Bank Berhad
Minimum Scenario	: Assuming the Proposed Rights Issue is undertaken on Minimum Subscription Level and none of the Warrants are exercised prior to the Rights Entitlement Date
Minimum Subscription Level	: Subscription of 213,514,600 RPS to raise gross proceeds of RM213,514,600 pursuant to the Proposed Rights Issue
NA	: Net assets
PLS or Company	: PLS Plantations Berhad
PLS Group or Group	: Collectively, PLS and its subsidiaries
PLS Shares	: Ordinary shares in PLS
Proposals	: Collectively, the Proposed Warrants Issue, Proposed Rights Issue and Proposed Amendments
Proposed Amendments	: Proposed amendments to our Constitution as set out in Appendix III of this Circular
Proposed Warrants Issue	: Proposed issue of 175,350,000 Warrants on the basis of one (1) Warrant for every two (2) PLS Shares held on the Warrants Entitlement Date
Proposed Rights Issue	: Proposed renounceable rights issue of up to 1,052,100,000 RPS at an issue price of RM1.00 per RPS on the basis of two (2) RPS for every one (1) PLS Share held on the Rights Entitlement Date
Record of Depositors	: A record of securities holders provided by Bursa Depository pursuant to Chapter 24 of the Rules of Bursa Depository
Rights Entitlement Date	: A date to be determined and announced later by our Board, on which the names of the shareholders of our Company must appear in our Record of Depositors as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue
Rights Entitled Shareholders	: Shareholders of our Company whose names appear in our Record of Depositors on the Rights Entitlement Date
RPS	: New redeemable preference shares in PLS to be issued pursuant to the Proposed Rights Issue
SC	: Securities Commission Malaysia
Undertaking	: The irrevocable undertaking from EB as detailed in Section 2.2.4 of this Circular
VWAP	: Volume weighted average market price
Warrants	: New free warrants in PLS to be issued pursuant to the Proposed Warrants Issue

DEFINITIONS (Cont'd)

- Warrants Entitlement Date : A date to be determined and announced later by our Board, on which the names of the shareholders of our Company must appear in our Record of Depositors as at 5.00 p.m. in order to be entitled to participate in the Proposed Warrants Issue
- Warrants Entitled Shareholders : Shareholders of our Company whose names appear in our Record of Depositors on the Warrants Entitlement Date
- Warrant Holders : Holders of the Warrants

CURRENCIES

- RM and sen : Ringgit Malaysia and sen
- USD : United States Dollar

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our Company and our subsidiaries.

All references to “**you**” or “**your**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any act, written law, ordinance, enactment or guideline in this Circular is a reference to that act, written law, ordinance, enactment or guideline as amended or re-enacted from time to time.

Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

This Circular includes forward-looking statements. All statements other than statements of historical facts included in this Circular including, without limitation, those regarding our Group’s financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

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CONTENTS

	PAGE
LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAINING:	
1. INTRODUCTION.....	1
2. DETAILS OF THE PROPOSALS.....	2
3. USE OF PROCEEDS.....	6
4. RATIONALE AND BENEFITS OF THE PROPOSALS.....	11
5. FOREIGN ADDRESSED SHAREHOLDERS	16
6. INDUSTRY OVERVIEW AND PROSPECTS	17
7. EFFECTS OF THE PROPOSALS	22
8. APPROVALS REQUIRED	31
9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	32
10. DIRECTORS' RECOMMENDATION	32
11. TENTATIVE TIMETABLE	32
12. HISTORICAL SHARE PRICES.....	33
13. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION	33
14. EGM	33
15. FURTHER INFORMATION.....	34
APPENDICES	
I SALIENT TERMS OF THE WARRANTS	35
II SALIENT TERMS OF THE RPS.....	38
III AMENDMENTS TO OUR CONSTITUTION	41
IV FURTHER INFORMATION.....	45
NOTICE OF EGM.....	ENCLOSED
PROXY FORM.....	ENCLOSED



PLS PLANTATIONS BERHAD

Registration No. 198701001365 (160032-K)
(Incorporated in Malaysia)

Registered Office
Unit No. 9-01, Level 9
Menara TSR
No. 12, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

22 January 2020

Board of Directors

Tan Sri Dato' Lim Kang Hoo (*Executive Chairman*)
Tan Sri Dato' Lim Kang Yew (*Managing Director*)
Mr Lee Hun Kheng (*Executive Director*)
Dato' Lim Kang Poh (*Non-Independent Non-Executive Director*)
Encik Hisham Bin Mahmood (*Senior Independent Non-Executive Director*)
Dato' Majid Manjit Bin Abdullah (*Independent Non-Executive Director*)
Miss Kang Hui Ling (*Independent Non-Executive Director*)
Mr Cho Joy Leong @ Cho Yok Lon (*Independent Non-Executive Director*)
Mr Chow Yoon Sam (*Independent Non-Executive Director*)
Mr Lim Chen Heng (*Alternate Director to Tan Sri Dato' Lim Kang Hoo*)
Mr Lim Dian Ping (*Alternate Director to Tan Sri Dato' Lim Kang Yew*)
Mr Lim Guan Shiun (*Alternate Director to Dato' Lim Kang Poh*)

To: Our Shareholders

Dear Sir/Madam,

- (I) **PROPOSED WARRANTS ISSUE;**
 - (II) **PROPOSED RIGHTS ISSUE; AND**
 - (III) **PROPOSED AMENDMENTS**
-

1. INTRODUCTION

On 25 October 2019, Maybank IB and Astramina had, on behalf of our Board, announced that our Company proposes to undertake the following:

- (i) Proposed Warrants Issue;
- (ii) Proposed Rights Issue; and
- (iii) Proposed Amendments.

On 10 January 2020, Maybank IB and Astramina had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 9 January 2020 (which was received on 10 January 2020), approved the following:

- (i) admission of 175,350,000 Warrants and up to 1,052,100,000 RPS to the Official List of Bursa Securities; and
- (ii) listing and quotation of the following on the Main Market of Bursa Securities:
 - (a) 175,350,000 Warrants;
 - (b) up to 175,350,000 Exercised Shares; and
 - (c) up to 1,052,100,000 RPS,

subject to the conditions set out in Section 8 of this Circular.

Our Board had appointed Maybank IB as Principal Adviser and Astramina as Financial Adviser to the Company for the Proposals. In its capacity as Principal Adviser, Maybank IB's role is to advise on, amongst others, the structure, terms, timing and financial effects of the Proposals, compliance with the relevant regulatory requirements, preparation of the relevant announcements and submission to the relevant authorities. On the other hand, in its capacity as Financial Adviser, Astramina's role was to conceptualise and formulate the structure, terms and overall implementation strategies for the Proposals including to provide advice on pricing, financial aspects and timing in relation to the Proposals. Maybank IB together with Astramina will also coordinate the workstreams of other professional advisers appointed by the Company for the Proposals to ensure the smooth and successful implementation of the Proposals.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Warrants Issue

The Proposed Warrants Issue entails the issuance of 175,350,000 Warrants on the basis of one (1) Warrant for every two (2) PLS Shares held by the Warrants Entitled Shareholders on the Warrants Entitlement Date.

Based on the issued share capital of our Company as at the LPD of RM87,961,163 comprising 350,700,000 PLS Shares, the maximum number of Warrants to be issued by our Company is 175,350,000 Warrants.

Fractional entitlements arising from the Proposed Warrants Issue, if any, will be disregarded and will be dealt with in such manner as our Board shall in its absolute discretion deems fit and expedient, and in the best interest of our Company. The Proposed Warrants Issue will not be implemented in stages over a period of time.

The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants are set out in **Appendix I** of this Circular.

2.1.1 Basis and justification of the exercise price of the Warrants

The Warrants will be issued at no cost to the Warrants Entitled Shareholders.

The exercise price of the Warrants will be determined by our Board at a later date after the receipt of all relevant approvals but before the announcement of the Warrants Entitlement Date after taking into consideration the following:

- (i) historical price movement of PLS Shares;
- (ii) five (5)-day VWAP of PLS Shares immediately preceding the price-fixing date with a discount or premium to be determined and announced later;
- (iii) prevailing market conditions; and
- (iv) future working capital requirements and future prospects of our Group.

For illustrative purposes only, the exercise price of the Warrants is assumed to be RM1.00 per Warrant, representing the following:

- (i) a premium of RM0.3145 or approximately 45.88% to the five (5)-day VWAP of PLS Shares up to and including the Announcement LTD of RM0.6855; and
- (ii) a premium of RM0.1883 or approximately 23.20% to the five (5)-day VWAP of PLS Shares up to and including the LTD of RM0.8117.

Our Board wishes to emphasize that the illustrative exercise price of RM1.00 per Warrant should not be taken as an indication of or reference to the actual exercise price of the Warrants, which will be determined and announced on the price-fixing date.

2.1.2 Ranking of the Warrants and the Exercised Shares

The Warrants shall as between the Warrant Holders rank equally in all respect.

The Exercised Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PLS Shares except that the Exercised Shares will not be entitled to any dividend, right, allotment and/or other distributions that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the Exercised Shares.

2.1.3 Listing and quotation of the Warrants and Exercised Shares

Bursa Securities had, vide its letter dated 9 January 2020 (which was received on 10 January 2020), approved the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of 175,350,000 Warrants and up to 175,350,000 Exercised Shares on the Main Market of Bursa Securities, subject to the conditions set out in Section 8 of this Circular.

2.2 Proposed Rights Issue

The Proposed Rights Issue entails the issuance of up to 1,052,100,000 RPS on the basis of two (2) RPS for every one (1) PLS Share held by the Rights Entitled Shareholders on the Rights Entitlement Date.

It is the intention of our Company to complete the Proposed Warrants Issue prior to the Proposed Rights Issue. In the event all the Warrants are exercised into new PLS Shares prior to the Rights Entitlement Date, the maximum number of RPS to be issued pursuant to the Proposed Rights Issue will be 1,052,100,000. The actual number of RPS to be issued will depend on the total number of PLS Shares in issue on the Rights Entitlement Date and the subscription rate of the Proposed Rights Issue.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Rights Entitled Shareholders can subscribe for and/or renounce their entitlements to the RPS in full or in part.

The RPS will be provisionally allotted to the Rights Entitled Shareholders. In determining the Rights Entitled Shareholders' entitlements under the Proposed Rights Issue, fractional entitlements, if any, will be disregarded and dealt with in such manner as our Board in its absolute discretion deems fit or expedient, and in the best interest of our Company.

The RPS which are not taken up or not validly taken up will be made available for excess application by the other Rights Entitled Shareholders and/or their renounee(s). It is the intention of our Board to allocate the excess RPS, if any, in a fair and equitable manner on a basis to be determined by our Board.

The salient terms of the RPS are set out in **Appendix II** of this Circular.

2.2.1 Basis and justification of the Issue Price of the RPS

The RPS will be issued at RM1.00 per RPS. The Issue Price was determined after taking into consideration the following:

- (i) five (5)-day VWAP of PLS Shares up to and including the Announcement LTD of RM0.6855; and
- (ii) funding requirements of our Group as set out in Section 3 of this Circular.

The Issue Price represents the following:

- (i) a premium of RM0.3145 or approximately 45.88% to the five (5)-day VWAP of PLS Shares up to and including the Announcement LTD of RM0.6855; and
- (ii) a premium of RM0.1883 or approximately 23.20% to the five (5)-day VWAP of PLS Shares up to and including the LTD of RM0.8117.

2.2.2 Ranking of the RPS

In the event of liquidation, dissolution or winding up, the RPS shall rank in priority to any other unsecured securities or ordinary shares of PLS.

The RPS shall constitute direct, unconditional, unsecured and unsubordinated obligations of PLS and will, upon allotment and issuance, rank equally without any preference or priority among themselves and in priority to other redeemable preference shares that may be created in the future, but shall rank behind all secured obligations of PLS.

2.2.3 Listing and quotation of the RPS

Bursa Securities had, vide its letter dated 9 January 2020 (which was received on 10 January 2020), granted its approval for the admission of up to 1,052,100,000 RPS to the Official List of Bursa Securities and the listing and quotation of up to 1,052,100,000 RPS on the Main Market of Bursa Securities, subject to the conditions set out in Section 8 of this Circular.

2.2.4 Shareholder's undertaking

The Proposed Rights Issue will be undertaken on a minimum subscription basis. The Minimum Subscription Level was determined by our Board after taking into consideration the minimum level of funds that our Company needs to raise from the Proposed Rights Issue, which will be channelled towards the Group's proposed utilisation as set out in Section 3 of this Circular.

As at the LPD, EB, a major shareholder of PLS, holds 106,757,300 PLS Shares, representing 30.44% of our issued share capital. Pursuant to the irrevocable letter of undertaking dated 25 October 2019, EB has provided its irrevocable undertaking to subscribe in full its entitlement to the RPS under the Proposed Rights Issue as at the Rights Entitlement Date ("**Undertaking**"). The Undertaking relates to a subscription of not less than 213,514,600 RPS and raising an aggregate sum of not less than RM213,514,600.

EB has confirmed via the Undertaking that it has sufficient financial resources to perform its obligations set out in the Undertaking and Maybank IB has verified that EB has sufficient financial resources to perform its obligations under the Undertaking.

For illustrative purposes only, based on the direct shareholding of EB in our Company as at the LPD, its entitlement under the Proposed Rights Issue is as follows:

Direct shareholding as at the LPD		Minimum Scenario		Maximum Scenario	
		Total RPS entitled to be subscribed under the Proposed Rights Issue		Total RPS entitled to be subscribed under the Proposed Rights Issue	
No. of PLS Shares	%	No. of RPS	(1)%	No. of RPS	(2)%
106,757,300	30.44	213,514,600	100.00	320,271,900	30.44

Notes:

(1) Percentage calculated based on 213,514,600 RPS under the Minimum Scenario.

(2) Percentage calculated based on 1,052,100,000 RPS under the Maximum Scenario.

The Undertaking will not give rise to a mandatory take-over obligation for the remaining PLS Shares not already owned by EB and/or persons acting in concert with it (if any) pursuant to the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions.

As the Proposed Rights Issue will be undertaken on Minimum Subscription Level, we do not intend to procure any underwriting arrangement for the remaining RPS that are not subscribed by other Rights Entitled Shareholders and/or their renounee(s).

For information purposes, as at the LPD, our Company's public shareholding spread is 23.32%, representing a shortfall of 1.68% from the minimum required percentage of 25% of the total listed shares (excluding treasury shares) being in the hands of public shareholders pursuant to Paragraph 8.02(1) of the Listing Requirements ("**Public Shareholding Spread Requirement**"). Accordingly, our Company is not in compliance with the Public Shareholding Spread Requirement currently.

As announced by our Company on 26 December 2019, Bursa Securities had, vide its letter dated 26 December 2019, granted our Company an extension of time of three (3) months until 29 February 2020 to comply with the Public Shareholding Spread Requirement ("**Extended Period**"). Our Company is currently exploring all possible options to comply with the Public Shareholding Spread Requirement within the Extended Period. Our Company will also continue to monitor our Company's public shareholding spread and ensure that the issuance of securities pursuant to the Proposals will not aggravate the non-compliance of our Company's public shareholding spread.

2.3 Proposed Amendments

The Proposed Amendments entail the consequential amendments to be made to our Constitution to facilitate the implementation of the Proposed Rights Issue involving the issuance of RPS.

Further details of the Proposed Amendments are set out in **Appendix III** of this Circular.

3. USE OF PROCEEDS

3.1 Proposed Warrants Issue

There are no cash proceeds arising from the Proposed Warrants Issue as the Warrants will be issued at no cost to the Warrants Entitled Shareholders.

The proceeds that may be raised by our Company from the exercise of the Warrants will depend on the actual number of Warrants exercised during the tenure of the Warrants and the exercise price of the Warrants. As such, the actual timeframe for use of proceeds arising from the exercise of the Warrants is not determinable at this juncture.

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For illustrative purposes only, assuming full exercise of the Warrants based on the illustrative exercise price of RM1.00 per Warrant, our Company could potentially raise up to RM175.4 million. Proceeds arising from the exercise of the Warrants will be used for general working capital to finance our Group's day-to-day operations as follows:

Description	Amount⁽¹⁾
	(RM'000)
Payment to trade creditors	75,000
Sales and marketing expenses	70,000
Administrative overheads	20,000
Staff costs	5,000
Utilities	5,000
Office expenses	400
Total	175,400

Note:

⁽¹⁾ Being the maximum proceeds to be allocated for each category as the proceeds to be raised pursuant to the exercise of the Warrants will depend on various factors including the market price of PLS Shares during the tenure of the Warrants such that the Warrants may not be fully exercised and our Company may not receive the entire proceeds of RM175.4 million.

3.2 Proposed Rights Issue

The Proposed Rights Issue is expected to raise gross proceeds of approximately RM213.5 million and RM1,052.1 million under the Minimum Scenario and Maximum Scenario respectively. Our Company intends to use the gross proceeds raised from the Proposed Rights Issue in the following manner:

Description	Minimum Scenario	Maximum Scenario	Estimated timeframe for use of proceeds from the date of listing of the RPS
	(RM'000)	(RM'000)	
Expansion/Investment in durian plantation businesses ⁽ⁱ⁾ :			
- Cultivation and planting of durians	33,000	243,000	Within 18 months
- Maintenance and upkeep of durian plantations	61,500	499,500	Within 72 months
Expansion of downstream activities ⁽ⁱⁱ⁾	95,000	195,000	Within 24 months
Repayment of borrowings ⁽ⁱⁱⁱ⁾	-	90,000	Within 6 months
General working capital of our Group ^(iv)	22,165	22,750	Within 12 months
Defray the estimated expenses relating to the Proposals ^(v)	1,850	1,850	Within 3 months
Total	213,515	1,052,100	

Notes:

As announced by our Company on 21 March 2019, our Group had diversified into durian businesses which include durian plantation, production, distribution and related businesses by subscribing and acquiring, in total, 70% equity interest in Dulai Fruits Enterprise Sdn Bhd (“Dulai”) which is principally involved in trading of fresh and processed fruits.

Pursuant to the diversification, moving forward, our Group intends to expand our durian plantation businesses to include cultivation and planting of durians which complement the downstream durian business activities undertaken by Dulai in order to strengthen and enhance our strategic position in the durian business. The downstream durian business activities undertaken by Dulai include the processing of durians into durian related products and establishment of retail outlets to sell durian and durian related products.

- (i) The proceeds will enable our Group to cultivate, plant, maintain and upkeep approximately 2,800 acres of new durian plantation under the Minimum Scenario and approximately 23,000 acres of new durian plantation under the Maximum Scenario respectively.

Durian plantation has a long gestation period. Typically, durian trees have a life span of 80 to 150 years and are only expected to mature and start fruiting in the fifth (5th) to sixth (6th) year with commercialisation commencing only in the seventh (7th) year. The initial work on the plantation involves land clearing, earthwork and infrastructure work followed by cultivation and planting of durian trees. After the cultivation and planting phase, the durian plantation will have to be maintained and upkeep to ensure it produces high yields.

It is our Company’s intention to use part of the proceeds for the cultivation and planting of durian trees within 18 months from the completion of the Proposed Rights Issue. The works to be undertaken for cultivating and planting durians involve earthwork, infrastructure work and nursery preparation including building of house quarters, cabin quarters, offices at the plantation, terracing, fencing and irrigation system on the identified lands. This will be followed by the planting and bud grafting of durian seedlings. Based on our estimates, the cultivation and planting costs for the durian plantations will be approximately RM10,000 to RM13,000 per acre, depending on location, size and terrain of the lands.

After the cultivation and planting of durians have been completed, our Company intends to use part of the proceeds to maintain and upkeep these durian plantations over the gestation period, i.e. from the second (2nd) to fifth (5th) or sixth (6th) year, until the durian trees start fruiting and commercialisation in the seventh (7th) year. Thereafter, the maintenance and upkeep costs are expected to be funded from sales of fresh durian fruits sold from the said durian plantations. The works to be undertaken for the maintenance and upkeep of durian plantations are as follows:

<u>Cost</u>	<u>Description</u>
Maintenance cost	This involves fertilisation, pest and diseases control work, irrigation system maintenance, road and fence maintenance, security and labour cost for field workers to carry out these works
Management and administrative cost	This involves the cost of hiring on-site management and administration team for the durian plantations

Based on our estimates, the annual maintenance and upkeep costs for the durian plantations is approximately RM3,500 to RM5,000 per acre, depending on amongst others, location, size and soil condition of the said plantation.

As at the LPD, our Company has identified approximately 1,000 acres of land in Johor owned by our 70%-owned subsidiary, Aramijaya Sdn Bhd, which is suitable to plant durians. Our Company has planted durians on 250 acres of the said land and intends to use part of the proceeds to plant the balance 750 acres where the total cost expected to be incurred to plant durians on the 750 acres is approximately RM7.5 million to RM9.8 million. The maintenance and upkeep of the entire durian plantation during the gestation period will cost approximately RM2.6 million to RM3.8 million.

In addition to the above plantation lands, our Company is also in the midst of securing more land parcels consisting of approximately 2,050 acres under the Minimum Scenario and approximately 22,250 acres of land parcels under the Maximum Scenario. These land parcels have been identified to be suitable for durian plantation and our Company intends to use the proceeds to cultivate, plant, maintain and upkeep these lands under contract farming basis.

Typically, the following are the two (2) types of contract farming:

- (1) existing matured durian plantations owned by third parties and/or related parties who will give us the right to operate and maintain the plantation and harvest the fruits over a contract farming period. This type of contract farming typically involves our Company paying an annual fee charged by the plantation owner over a short-term tenure of between one (1) to three (3) years; and/or
- (2) new land parcels belonging to third parties and/or related parties which are suitable for durian plantation. We will enter into an agreement with the respective landowners for the right to use the land for a period of time and our Company will be responsible to plant, operate, maintain and harvest the fruits from the plantation land. Typically, the right for contract farming will either be based on a joint venture or profit-sharing basis for a period of at least 15 years. Future income to be received from the durian plantation will be shared between us and the landowners according to the terms of the agreement.

As at the LPD, our Company has identified several parties with land parcels in Johor, Pahang and Perak who have expressed interest to collaborate with us under contract farming basis and our Company is more inclined and intends to enter into type (2) of contract farming as mentioned above. Discussions and negotiations are still on-going with these parties and our Company will make the necessary announcements as and when such arrangements are finalised, and seek shareholders' approval (if required) for such arrangements, in compliance with the Listing Requirements.

Our Group has experience in durian contract farming activities via Dulai which was previously engaged in contract farming as mentioned under item (1) above.

- (ii) Our Group intends to use part of the proceeds raised from the Proposed Rights Issue to expand the downstream activities of our durian businesses as follows:

Description	Minimum Scenario	Maximum Scenario
	(RM'000)	(RM'000)
Establishment of new durian processing factories/facilities ^(a)	80,000	180,000
Establishment of new retail outlets ^(b)	10,500	10,500
Sales and marketing expenses ^(c)	4,500	4,500
Total	95,000	195,000

Notes:

- (a) As at the LPD, our Company has identified two (2) locations, one in the southern region and the other in the central region of Malaysia, to be leased from third parties and/or related parties to establish new durian processing facilities. We will use the proceeds to renovate the existing structures and infrastructure facilities located at these new locations which will cost approximately RM115.0 million and also to purchase equipment such as high-pressure processing machine, thermoforming packing machine, spiral freezing machine and tunnel liquid nitrogen machine amounting to approximately RM65.0 million.

The new durian processing facilities are expected to increase our Group's maximum daily processing capacity of durian products consisting of durian pulp, durian paste and frozen whole fruits from 20 tonnes per day to approximately 290 tonnes per day. These new processing facilities will have a combined maximum storage capacity of approximately 5,000 tonnes of durian products. In the event our Company is not able to raise all the proceeds under the Maximum Scenario, the renovation works and purchase of equipment for the new facilities will be implemented in phases by our Company.

- (b) We plan to establish three (3) new retail outlets in major cities in west coast Peninsular Malaysia that will sell fresh durian and durian related products such as durian chocolate, mochi, prata and coffee by leasing suitable locations from third parties and/or related parties. The proceeds will be used for rental payment, renovation and fit-out of the location as well as for the initial working capital to run the day-to-day operations of these retail outlets. Based on our estimates, each retail outlet will require an initial investment of approximately RM3.5 million each.
- (c) We will also allocate RM4.5 million for sales and marketing expenses to promote our durian products as well as to establish our own brandname in the market. These expenses include, sales promotions, publicity materials, marketing and advertising expenses.
- (iii) As at the LPD, our Group's total bank borrowings is approximately RM93.9 million comprising of term loans, bank overdraft and finance lease payables ("**Banking Facilities**"), of which the outstanding principal amount are as follows:

<u>Type of borrowings</u>	<u>Interest rate per annum</u>	<u>Balance as at the LPD</u>
	(%)	(RM'000)
Term loans	3.00 – 7.30	89,432
Bank overdraft	8.50	1,979
Finance lease payables	2.41 – 3.65	2,472

The repayment of the Banking Facilities is expected to result in annual interest costs savings of approximately RM6.4 million under the Maximum Scenario based on our Group's effective finance cost of 7.1% for the FYE 31 March 2019.

- (iv) Comprise of payments to be made and expenses to be incurred for our Group's day-to-day operations namely, payment to trade creditors, sales and marketing expenses, and other operating expenses (i.e. staff costs, utilities, administrative overheads and office expenses), the breakdown of which is as follows:

<u>Description</u>	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
	(RM'000)	(RM'000)
Payment to trade creditors	20,000	20,000
Sales and marketing expenses	1,000	1,000
Staff costs	500	500
Utilities	200	375
Administrative overheads	265	500
Office expenses	200	375
Total	22,165	22,750

- (v) *Comprise of professional fees, fees payable to the relevant authorities, printing and despatch costs of this Circular and abridged prospectus to our shareholders, advertisement and miscellaneous expenses, the breakdown of which is as follows:*

	<u>(RM'000)</u>
<i>Professional fees</i>	1,178
<i>Fees to relevant authorities</i>	278
<i>Printing, despatch and advertising expenses</i>	120
<i>Miscellaneous expenses</i>	<u>274</u>
Total	<u>1,850</u>

Any shortfall in funds allocated for estimated expenses will be funded from proceeds allocated for the general working capital of our Group while any excess of funds will be used for general working capital of our Group.

Any additional proceeds raised in excess of the amount under the Minimum Scenario of approximately RM213.5 million will be allocated up to the respective maximum allocation under the Maximum Scenario in the following order:

- (a) expansion/investment in durian plantation businesses and expansion of downstream activities;
- (b) repayment of borrowings; and
- (c) general working capital of our Group.

Pending the use of the proceeds from the Proposed Rights Issue for the purposes above, the funds raised from the Proposed Rights Issue will be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as our Board deems fit. The interest derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used for general working capital of our Group.

In the event that there is a material change to the use of proceeds as disclosed above, our Company will issue a circular to our shareholders and seek our shareholders' approval for the change in the use of proceeds pursuant to Paragraph 8.22 of the Listing Requirements.

4. RATIONALE AND BENEFITS OF THE PROPOSALS

4.1 Proposed Warrants Issue

The Proposed Warrants Issue will:

- (i) reward the shareholders of PLS by enabling them to participate in a derivative of our Company without incurring any cost;
- (ii) provide the Warrants Entitled Shareholders the opportunity to increase equity participation in our Company by exercising the Warrants at a pre-determined price at any time during the tenure of Warrants and benefit from any potential capital appreciation of the Warrants as well as the Exercised Shares;
- (iii) strengthen the financial position and capital base of our Group by reducing its gearing level and increasing our Group's NA as and when the Warrants are exercised, thereby providing greater financial flexibility to meet the increasing capital commitments of our Group;
- (iv) not have any immediate dilution to the consolidated EPS of our Company as compared to a bonus issue of shares; and

- (v) enable our Company to raise additional funds to meet the funding requirements of our Group over the next ten (10) years when the Warrants are exercised.

4.2 Proposed Rights Issue

Our Board is of the opinion that the Proposed Rights Issue is the most appropriate means of raising funds due to the following reasons:

- (i) the issuance of the RPS will minimise the immediate dilution effect on the consolidated EPS of our Company which would otherwise arise from the issuance of new PLS Shares;
- (ii) the Proposed Rights Issue will enable our Company to raise the requisite funds for our business expansion, working capital as well as to repay the borrowings of our Group as set out in Section 3 of this Circular;
- (iii) as the durian plantation business has a long gestation period and we only diversified into durian businesses in March 2019, it has been challenging for our Group to obtain bank borrowings from financial institutions to fund our Group's proposed expansion/investment in the durian businesses. Even if financing is available to us, there can be no assurance that these bank borrowings will be on terms satisfactory to us. We expect the terms of such financing to be unfavourable, in particular the borrowing cost which is expected to be high given the risk and cashflow profile of durian plantations coupled with durian plantation being a new industry which has not been commercialised on a large scale basis. The challenges that our Group faces in securing financing are further exacerbated by our Group's financial position where we have been registering losses in the past consecutive years; and
- (iv) the Proposed Rights Issue will also enable our Company to recapitalise our balance sheet and create headroom for our Group to consider debt financing in the future.

In addition, in arriving at the terms of the RPS, our Board had considered the following:

- (i) assuming the RPS is redeemed by our Company immediately after the eighth (8th) anniversary of the Issue Date, the effective dividend rate of the RPS is approximately 6.88% based on the dividend rate of the RPS which is on a step-up basis of 5% for years 1 and 2, 6% for years 3 to 5 and 9% for year 6 until the redemption date of the RPS. Accordingly, although the maximum dividend rate of the RPS is 9%, the effective dividend rate of the RPS of approximately 6.88% is still lower than our Group's average finance cost for the FYE 31 March 2019 of 7.1%;
- (ii) to enable our Company to successfully raise the required funds for purposes set out in Section 3 of this Circular, the terms of the RPS need to be sufficiently attractive to incentivise all our shareholders to subscribe in full their entitlement under the Proposed Rights Issue including EB, our single largest shareholder who holds 30.44% of our issued share capital. EB had provided the Undertaking which has enabled our Company to undertake the Proposed Rights Issue on a minimum subscription basis with no underwriting to be procured. Based on its Annual Report 2018, EB's effective cost of borrowing ranges from 4.52% to 7.75% for the FYE 30 June 2019. In addition, Malayan Banking Berhad's rate on fixed deposit account to retail customers is between 3.10% and 3.35% per annum for tenure of 12 months to 60 months which is lower than the effective dividend rate of the RPS (*Source: Maybank2u website*);

- (iii) As the RPS is not convertible into new PLS Shares, our shareholders will not be able to realise any capital appreciation from their investment in the RPS. They will only be able to fully recoup their investment in the RPS by exercising their right to require our Company to redeem the RPS at any time after the eighth (8th) anniversary of the Issue Date. On the other hand, our Company has the option to redeem the RPS at any time on or after the Issue Date at the Redemption Price. It is our Company's intention to redeem the RPS when we have sufficient surplus cashflows after taking into account our Company's capital structure and our Group's overall funding costs; and
- (iv) It is our Company's intention to redeem the RPS using internally generated funds to be generated from our durian businesses. Accordingly, as the durian plantations are only expected to start fruiting in the fifth (5th) to sixth (6th) year after planting with commercialisation commencing in the seventh (7th) year where the durian plantations are expected to start registering profits and generate positive cashflows, the RPS holders' right to require our Company to redeem the RPS can only commence after the eighth (8th) anniversary of the Issue Date when our Group is expected to have sufficient profits and cashflow from our durian businesses. Notwithstanding, we may also consider bank borrowings from financial institutions as a source of funds for the redemption of the RPS subject to applicable laws, our Group's overall funding cost and our Company's capital structure at that point in time.

Based on the foregoing, our Board is of the view that the issuance of the RPS is in the best interest of our shareholders.

Shareholders should note the following:

(i) Current financial position of our Group

Based on our Company's audited consolidated financial statements for the FYE 31 March 2019 and the unaudited consolidated financial statements for the six (6)-month financial period ended ("FPE"), the financial position of our Group is as follows:

	FYE 31 March 2019	FPE 30 September 2019
Loss after tax and minority interest ("LATAMI") (RM million)	14.8	1.4
NA (RM million)	194.0	192.6
Total borrowings (RM million)	103.5	100.2
Gearing (times)	0.53	0.52

For the FYE 31 March 2019, our palm oil business contributed approximately 84.8% of our Group's revenue. The loss was mainly attributable to the significant decline of approximately 27% in the average selling prices of fresh fruit bunches ("FFB") despite the marginal increase in FFB harvested when compared to the previous financial year. Crude palm oil ("CPO") prices had also declined from a monthly average price of RM2,235 per tonne in 2018 to RM2,119 per tonne in 2019 (*Source: Malaysian Palm Oil Board ("MPOB")*). For the FPE 30 September 2019, our Group registered lower losses when compared to the FPE 30 September 2018 as our Group's oil palm plantation recorded an increase in FFB sales volume notwithstanding the decline in average selling prices for FFB, and also due to contribution from the manufacturing and trading division's sales of frozen durian products.

(ii) Value creation of the Proposals and impact to our Group and our shareholders

To reduce our dependence on palm oil plantation business which is highly susceptible to movements in CPO prices which are characterised by high degree of volatility and cyclicity depending on local and international market conditions which are largely beyond our Group's control, we had decided in 2019 to diversify our business risk by venturing into the durian business via the subscription and acquisition, in total, 70% equity interest in Dulai. With the proceeds from the Proposed Rights Issue, we will be able to venture further into the upstream and downstream durian businesses, through the cultivation and planting of durian trees as well as the processing and sale of durians and its related products.

Our Board is of the view that it is the right time to diversify into the durian industry in view of the launch of Industry4WRD as explained in Section 6.1 of this Circular. Durian plantation businesses have seen increasing demand for their fruits and processed products from non-durian native countries with reasonably attractive prices fetched for such durians and related products. The supply of durians which is limited to certain tropical countries has allowed durian plantations to enjoy significant advantages driven by strong demands, in particular for certain species of durians such as Musang King or its equivalent grade. The increasing demand for durians from overseas countries especially China and the limited supply of durians from Malaysia is believed to have resulted in rising average export prices of durians from Malaysia over the recent years.

Accordingly, our Board believes that the Proposals which allow our Company to raise the required funds for our Group to expand and invest into the durian plantation businesses will create value for our shareholders over the long term when the durian plantations start to register profits and generate cashflows in the form of dividend payouts and/or capital appreciation in our Company's share price.

In addition, the proceeds from the exercise of the Warrants will provide funding for our working capital requirements over the tenure of the Warrants, instead of having to obtain bank borrowings which has fixed interest payment obligations.

Meanwhile, the Proposed Rights Issue will provide our shareholders who subscribe the RPS with a fixed return of 6.88% on their investment, being the effective dividend rate of the RPS assuming the RPS is redeemed by our Company immediately after the eighth (8th) anniversary of the Issue Date.

(iii) Adequacy of the Proposals in addressing our Group's financial concerns i.e. losses in past consecutive years

Save for the FYE 31 March 2018, our Group has been registering LATAMI for the past five (5) years attributable to the high cost of sales in our oil palm plantation business due to the young age profile of our oil palm trees and fluctuations in the CPO prices. As our oil palm plantation business currently contributes more than 80% of our Group's revenue, our Group's financial performance is currently largely dependent on CPO prices which have steadily increased in the months of November and December 2019, reaching the RM3,000 per tonne price mark as at the LPD (*Source: MPOB*).

A summary of our oil palm plantations for the past five (5) years is set out below:

FYE 31 March	Average selling price of FFB ⁽¹⁾	CPO Price ⁽²⁾	Total mature area		Total planted area
	(RM per MT)	(RM per MT)	(Hectares) ⁽¹⁾	(%) ⁽³⁾	(Hectares)
2019	421	2,118.9	10,342	98.3	10,516
2018	579	2,235.2	9,148	83.8	10,921
2017	624	2,597.2	7,079	64.8	10,921
2016	443	2,643.7	5,599	51.3	10,912
2015	464	2,162.7	4,760	43.1	11,030

Notes:

⁽¹⁾ Source: Annual report 2019 of our Company.

⁽²⁾ Based on annualised monthly average of the CPO prices obtained from MPOB's website.

⁽³⁾ Total mature area (consisting of young and prime oil palm trees) as a percentage of total planted area.

If the CPO prices stabilise at the current level, we expect our oil palm plantation business to be able to start registering profits. Moreover, with the total mature area increasing from 43.1% in 2015 to 98.3% in 2019, we expect the higher FFB production from the mature oil palm plantation to contribute positively to the earnings and revenue of our Group going forward.

As for the durian businesses, although we are currently involved in the durian downstream business via Dulai which was only acquired on 21 March 2019, the downstream business only contributes approximately 28% of our Group's revenue for the FPE 30 September 2019. As we venture into the durian upstream businesses on a larger scale depending on the proceeds raised which will be invested into the durian business, we expect to continue to incur losses in the first two (2) to six (6) years due to the large capital expenditure to be made to grow the businesses as well as taking into consideration the gestation period of six (6) years before the durian trees start fruiting for commercialisation.

Upon the completion of the expansion of our durian downstream business within two (2) years from the completion of the Proposed Rights Issue, it is expected to be the main revenue driver for our Group and is expected to contribute more than 50% of our Group's revenue for the next six (6) years. However, the overall revenue and profitability of our Group will continue to be dependent on future CPO prices.

Nonetheless, our Board believes that the durian businesses will augur well and have a positive impact on our Group in view of the prospects of the Malaysian durian industry as set out in Sections 6.2 and 6.3 of this Circular, in particular:

- (a) increasing demand for durian and durian related products from China;
- (b) Dulai is one of the few approved durian processing facilities in Malaysia that has the approval from GACC to export to China;
- (c) durian is a more lucrative agricultural crop compared to oil palm; and
- (d) there are various government initiatives to grow the local durian industry by promoting agro-tourism, modernising and commercialising the industry in a large scale.

Our Board is cognisant that the Proposals may not fully address our Group's current financial concerns immediately. However, in the long-term, barring unforeseen circumstances, our Board believes that our Group's plans are adequate to turnaround our Group's financial performance once the durian plantations starts fruiting for commercialisation commencing in the seventh (7th) year, thereby contributing positively to our Group's earnings in the longer term.

4.3 Proposed Amendments

The Proposed Amendments are undertaken to facilitate the implementation of the Proposed Rights Issue involving the issuance of RPS.

5. FOREIGN ADDRESSED SHAREHOLDERS

The abridged prospectus together with the accompanying documents to be issued in connection with the Proposed Rights Issue have not been prepared to, and no step or action will be taken to ensure that such documents comply with the laws of any countries or jurisdictions other than Malaysia, and have not been and will not be lodged, registered or approved under any applicable securities legislation of any countries or jurisdictions other than Malaysia. The Proposed Rights Issue will not be offered for purchase or subscription in any country or jurisdiction in which such offer would be unlawful prior to registration or qualification under the securities laws of such country or jurisdiction.

The abridged prospectus together with the accompanying documents will only be sent to the Rights Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in our Record of Depositors as at the Rights Entitlement Date. Foreign Addressed Shareholders who wish to provide a Malaysian address should inform their respective stockbrokers to effect the change of address prior to the Rights Entitlement Date. Alternatively, such Foreign Addressed Shareholders may collect the abridged prospectus together with the accompanying documents from our share registrar who shall be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the abridged prospectus together with the accompanying documents.

Our Company will not make or be bound to make any enquiry as to whether the Rights Entitled Shareholders have a registered address other than as stated in our Record of Depositors as at the Rights Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Foreign Addressed Shareholders may only exercise their rights in respect of the Proposed Rights Issue to the extent that it would be lawful to do so, and our Company, our share registrar and/or our advisers, in connection with the Proposed Rights Issue, would not be in breach of the laws of any country or jurisdiction which the Foreign Addressed Shareholders and/or their renounee(s) might be subject to.

Foreign Addressed Shareholders will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company, our share registrar and/or our advisers in respect of their rights or entitlements under the Proposed Rights Issue. Such Foreign Addressed Shareholders should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue.

Foreign Addressed Shareholders shall be solely responsible to seek advice as to the laws of any country or jurisdiction to which they may be subject, and participation by the Foreign Addressed Shareholders in the Proposed Rights Issue shall be on the basis of a representation and warranty by them that they may lawfully so participate without our Company, our share registrar and/or our advisers being in breach of the laws of any country or jurisdiction.

Neither our Company, our share registrar nor our advisers to the Proposed Rights Issue shall accept any responsibility or liability in the event that any acceptance of a Foreign Addressed Shareholder or his/her renouncee(s) of his/her entitlements in respect of the Proposed Rights Issue is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Our Company reserves the right in its absolute discretion to treat any acceptance as being invalid if our Company believes or has reason to believe that such acceptance may violate any applicable legal or regulatory requirements.

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and outlook of the global economy

The Malaysian economy expanded at a more moderate pace of 4.7% in 2018 (2017: 5.9%). Despite a positive start to 2018, the economy subsequently was confronted with several external and domestic challenges. Major policy and political shifts, arising partly from the global trade tensions and the historic change of government in Malaysia, became sources of uncertainty for the economy. Unanticipated supply disruptions in the mining and agriculture sectors, as well as commodity exports adversely affected Malaysia's economic performance, resulting in a larger-than-expected moderation in growth.

Domestic demand continued to anchor growth, supported mainly by private sector expenditure. Private consumption growth, in particular, recorded the fastest rate since 2012 at 8.1% in 2018 (2017: 7.0%). Favourable wage and employment growth continued to drive household spending with additional support from the three-month tax holiday (1 June 2018 – 31 August 2018) following the zerorisation of the Goods and Services Tax (GST) rate, as well as other Government measures such as the fixing of the retail fuel price of RON95 petrol and special payments to civil servants and pensioners.

On the supply side, most economic sectors recorded an expansion, with the exception of commodity-related sectors. The services sector's growth improved to 6.8% in 2018 (2017: 6.2%), the highest since 2011, as better consumer sentiments and favourable labour market conditions spurred spending, in particular during the tax holiday period. The manufacturing sector expanded by 5.0% in 2018 (2017: 6.0%) supported primarily by a continued expansion in the electrical and electronics cluster. The construction sector recorded a moderate growth of 4.2% in 2018 (2017: 6.7%) due to weaknesses in the property segment. Growth in the mining sector, however, contracted by 1.5% in 2018 (2017: 1.0%) due to the decline in natural gas production, while adverse weather and production constraints that affected palm oil and rubber production led to a decline in growth in the agriculture sector (2018: -0.4%, 2017: 7.2%).

(Source: Bank Negara Malaysia Annual Report 2018)

Global gross domestic product recorded a slower growth of 3% in the third quarter ("Q3") of 2019 (Q3 2018: 3.5%) largely due to easing external demand following ongoing trade restrictive policies. Additionally, heightening geopolitical tensions and structural factors continued to affect growth.

The Malaysian economy grew 4.4% in the Q3 of 2019 (Q3 2018: 4.4%) amid uncertainties in the global economy and trade. Growth was led by domestic demand (3.5%), particularly private sector expenditure. Private consumption recorded a strong growth of 7% supported by stable labour market, steady income growth and benign inflation. Private investment rose marginally by 0.3% primarily channelled into the services and manufacturing sectors. Public consumption increased moderately by 1% on account of improved spending on supplies and services. Public investment contracted by 14.1% mainly due to lower capital spending by public corporations, especially in oil and gas related industries, utilities and telecommunication segments.

On the supply side, growth was driven mainly by the services sector. The services sector increased 5.9% driven by wholesale and retail trade; information and communication; finance and insurance; as well as food & beverages and accommodation subsectors. The manufacturing sector expanded moderately by 3.6% supported by the electrical and electronics; petroleum, chemical, rubber and plastic products; transport equipment, other manufacturing and repair; as well as wood products, furniture, paper products and printing. The agriculture sector rebounded 3.7% following expansion in oil palm (8.4%), rubber (7.3%), other agriculture (3%) and livestock (7%) subsectors. However, forestry and logging as well as fishing subsectors declined 12.3% and 2.6%, respectively.

Total trade contracted 3.7% to RM460.5 billion following continued external headwinds. Nevertheless, the trade surplus increased by 33.3% to RM33.5 billion. Gross exports declined 1.9% due to lower exports of manufactured, agriculture and mining goods. Similarly, gross imports fell 5.8% weighed down by lower imports of capital, intermediate and consumption goods.

(Source: Malaysian Economy Third Quarter 2019 issued by Ministry of Finance)

The economy is expected to grow at a slightly faster pace of 4.8% in 2020 from 4.7% in 2019 despite the external headwinds. Finance Minister Lim Guan Eng (“LGE”) said in the preface of the Economic Outlook 2020, underpinning the growth are the sound fundamentals which include strong and trustworthy public institutions, a healthy labour market, low and stable inflation, comfortable current account surplus and a well-diversified economy. “Malaysia’s sound banking system and well-developed capital markets are more than capable of providing sufficient liquidity for various economic activities,” he said.

As for the China-United States of America (“US”) trade war which is affecting the global supply chain, LGE said Malaysia is benefitting immensely from changes through investment and trade diversion. Underpinning the growth will be a jump in construction aided by slight increases from services and manufacturing. Manufacturing and services are expected to register a 0.1% increase to 4.15% and 6.2%. However, agriculture growth is expected to slow down to 3.4% from 4.3%.

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Approved foreign direct investment in first half of 2019 rose by 97.2% to RM49.5 billion from RM25.1 billion a year ago with most of the investments coming from China, Japan, Singapore and the US. The government is making the country more competitive via new technology, private investments in high-value, hi-tech and knowledge-based areas. Industry will play a big role in ensuring sustainable economic growth as stated in Industry4WRD (which was launched on 31 October 2018 in response to the fourth industrial revolution). Meanwhile, Prime Minister of Malaysia, Tun Dr Mahathir Mohamad said in the foreword of the Economic Outlook 2020, the government has undertaken institutional reforms since coming to power in May 2018. These reforms were to fight graft, protect civil liberties, enhance governance and restore the health of public finance. "These reforms are being carried out to regain the people's trust in public institutions, raise their quality of life and restore Malaysia's reputation in the eyes of the world," he said. He said the institutional reforms would enable society to achieve a more sustainable and equitable long-term and economic growth. He said despite widespread global economic slowdown, Malaysia's economy accelerated to 4.9% in second quarter of 2019 from 4.5% in first quarter of 2019 and making Malaysia among the few countries in the world which recorded stronger expansion this year.

(Source: Economic Outlook 2020 issued by the Ministry of Finance Malaysia)

6.2 Overview and outlook of the durian industry in Malaysia

Planted area of durian crops in Malaysia showed a decline from 73,735 hectares (182,203 acres) in 2014 to 70,608 hectares (174,476 acres) in 2015. The planted area of durian crops in Malaysia dropped further to 66,037 hectares (163,181 acres) in 2016 before rose up to 72,391 hectares (178,882 acres) and 73,739 hectares (182,213 acres) in 2017 and 2018 respectively.

Durian production recorded an increase from 351,518 metric tonnes with production value of RM2.49 billion in 2014 to 368,271 metric tonnes with production value of RM2.25 billion in 2015. Thereafter the durian production took a downturn from 302,646 metric tonnes with production value of RM1.97 billion in 2016 to 210,874 metric tonnes with production value of RM2.79 billion in 2017 before rose up to 341,332 metric tonnes with production value of RM5.16 billion in 2018.

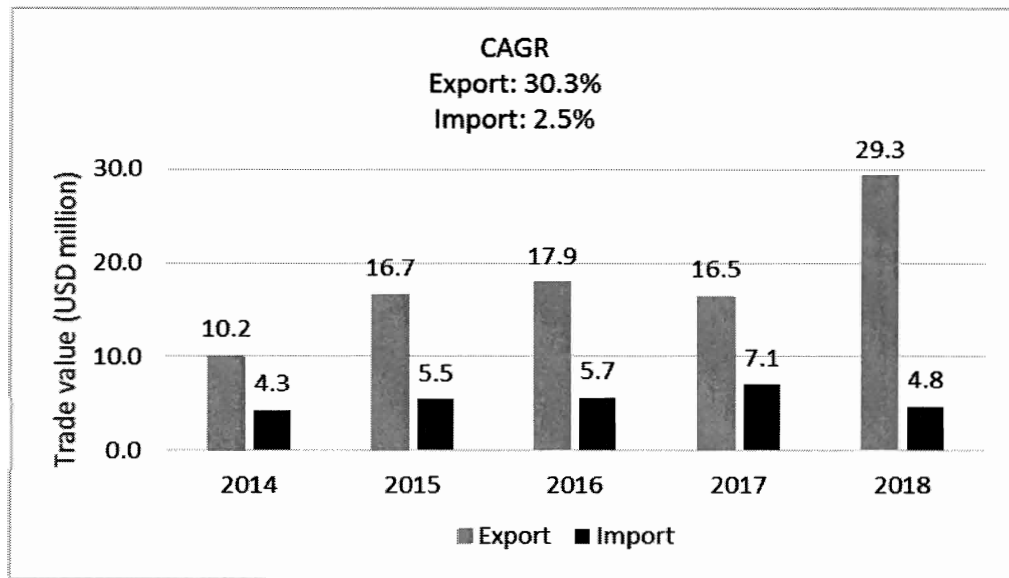
Durian continues to be the most widely planted fruit crops in Malaysia since 2014, constituting approximately 38.32% of the total planted area for major fruit crops in 2018. Further, durian also recorded the highest production value for the major fruit crops in Malaysia which contributed approximately 67.17% of the total production value for the major fruit crops in 2018.

Majority of fresh durian production in Malaysia for the year 2018 are in the states of Pahang with 89,916 metric tonnes, Johor with 87,838 metric tonnes, Sarawak with 34,650 metric tonnes and Kelantan with 31,554 metric tonnes. Value of the fresh durian productions for Pahang, Johor, Sarawak and Kelantan are RM1.62 billion, RM1.59 billion, RM74.50 million and RM570.49 million respectively. Domestic durian prices have been on an upward trend since 2014, as seen in the table below:

	Average price of durian (RM per kg)				
	2014	2015	2016	2017	2018
Farm	5.10	6.13	6.52	13.25	18.08
Wholesale	5.49	7.18	8.78	16.73	20.69
Retail	8.34	9.81	12.22	24.80	27.73

(Source: Fruit Crops Statistic 2018 issued by Department of Agriculture Malaysia)

Malaysia is a net exporter of durian. As shown in the graph below, Malaysia's exports of durian has been on an upward trend from USD10.2 million in 2014 to USD29.3 million in 2018. Meanwhile, Malaysia's imports of durians rose from USD4.3 million to USD4.8 million during the same period.



Singapore remained as the top trading partner of Malaysia's exports of durian from 2014 with a trade value of USD5.3 million to 2018 with a trade value of USD13.0 million. Trailing Singapore is Hong Kong with a trade value of USD2.6 million in 2014 to a trade value of USD6.4 million in 2018. Malaysia's durian exports to China also recorded an increase from 2014 to 2018, with a trade value of USD1.9 million to USD2.3 million.

The export prices for durians to Singapore and Hong Kong have recorded an increase from USD0.43 per kg and USD8.21 per kg respectively in 2014 to USD0.62 per kg and USD10.57 per kg respectively in 2018. Meanwhile the export price for durians to China hovered between USD9.93 per kg and USD16.98 per kg during the same period.

(Source: United Nations Commodity Trade Statistics Database)

On 17 June 2019, Ministry of Agriculture and Agro-based Industry Malaysia ("MOA") launched the country's first export of durians in whole fruit form to China which signified a historic event for Malaysia's agriculture industry. Prior to this, Malaysia could only export durians in the form of durian pulp and durian paste to China. MOA estimated that at least 1,000 metric tonnes of durians especially of the premium varieties could be exported to China every month. This will contribute approximately RM0.5 billion per annum to Malaysia's total export. MOA has also acknowledged durians industry as one of the industries identified as new source of wealth for Malaysia. Various initiatives and program have been implemented such as tree replanting and durian farm rehabilitation under the guidance of Department of Agriculture Malaysia. Total production of durians rose to 341,000 metric tonnes in 2018 from 211,000 metric tonnes in 2017 (representing an increase of 61.9%) and the upward trend was expected to continue for the upcoming years in particular the production of premium varieties such as 'Musang King (D197)' and 'Black Thorn (D200)' due to active commercialising of durian farms.

As part of the new source of wealth for Malaysia, durian industry may give decent source of income to durian business owners and turn durians into a main commodity export for the country in the future. Durian business owners were encouraged to seize the opportunity to offer 'Duriotourism', an agro-tourism based on durians in conjunction with Visit Malaysia 2020.

(Source: MOA's media press release dated 17 June 2019 translated to English from Bahasa Malaysia)

6.3 Prospects of our Group

Durian continues to be one of the most lucrative agricultural crops in Malaysia and our Group intends to be one of the biggest durian exporters in the region. To support this vision, it is important for our Group to be involved in the entire value chain of the durian industry from the cultivation, plantation, processing, distribution and retail in order to strengthen and enhance our strategic position in the durian businesses.

The proceeds under the Maximum Scenario will enable our Group to cultivate, plant, maintain and upkeep approximately 20,000 acres of new durian plantations and this will enable our Group to have a stable source of durian fruit supply for the export of frozen whole durian fruits, durian related products and downstream durian related products to China, Australia, Hong Kong and the US.

Our recent announcement in respect of the acquisition of 69.63 acres of matured durian plantation in Malacca is in line with our durian plantation expansion plan. The strategic acquisition of matured durian plantation will provide immediate returns to our Group and the cultivation of new durian plantation land will enable our Group to achieve our target of managing more than 50,000 acres of durian plantation. The investments to be made by our Group to increase our processing and storage capacity of durian fruits and durian products will allow our Group to continuously meet the demands of our customers throughout the year.

In addition, Dulai is an approved durian processing facility in Malaysia by the GACC for the processing of frozen whole durian fruit for export to China and ARTM Services Sdn Bhd ("**ARTM**"), a wholly-owned subsidiary of Dulai, is an approved durian processing facility in Malaysia by the GACC for the processing of frozen durian pulp and paste for export to China. There is no validity period for the approvals granted to Dulai and ARTM. However, Dulai and ARTM will be subject to annual audit and compliance review by the Ministry of Agriculture and Agro-based Industry Malaysia and Ministry of Health Malaysia. These approvals will enable our Group to tap into the large China market which enjoys increasing demand for durian and related products.

With the outlook of the Malaysian economy and the prospects of the durian industry in Malaysia as well as the promising potential of the China export market, our Board is confident that the investments arising from the proceeds raised from the Proposed Rights Issue as detailed in Section 3.2 of this Circular will enable our Group to create a strong foundation and presence in the industry and also enhance our long-term profitability and shareholders' value. Our Board believes that the Proposals will augur well for our Group.

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7. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on our share capital and substantial shareholders' shareholding, NA per PLS Share, gearing and EPS of our Group.

7.1 Share capital

The Proposed Rights Issue will not have any effect on our share capital as the RPS is not convertible into new PLS Shares. The proforma effect of the Proposed Warrants Issue on the issued share capital of our Company is as follows:

	<u>No. of PLS Shares</u>	<u>RM</u>
As at the LPD	350,700,000	87,961,163
To be issued pursuant to the exercise of the Warrants	175,350,000	⁽¹⁾ 175,350,000
Enlarged issued share capital	<u>526,050,000</u>	<u>263,311,163</u>

Note:

(1) Based on the illustrative exercise price of RM1.00 per Warrant.

7.2 NA per PLS Share and gearing

For illustrative purposes only, based on the audited consolidated statement of financial position of our Company as at 31 March 2019 and on the assumption that the Proposed Warrants Issue and Proposed Rights Issue had been effected on that date, the proforma effects of the Proposed Warrants Issue and Proposed Rights Issue on the NA per PLS Share and gearing of our Group are as follows:

Minimum Scenario

	Audited as at 31 March 2019 (RM'000)	(I) After the Proposed Warrants Issue (RM'000)	(II) After (I) and the Proposed Rights Issue (RM'000)	(III) After (II) and assuming full exercise of the Warrants (RM'000)	(IV) After (III) and assuming full redemption of the RPS ⁽⁶⁾ (RM'000)
Share capital	87,961	87,961	87,961	⁽⁵⁾ 326,034	326,034
Contributed capital	-	-	-	-	⁽⁷⁾ 213,515
Warrants reserve	-	⁽¹⁾ 62,723	62,723	⁽⁵⁾ -	-
Retained earnings	106,015	⁽²⁾ 42,458	⁽³⁾ 41,442	41,442	⁽⁸⁾ -
Shareholders' funds / NA	<u>193,976</u>	<u>193,142</u>	<u>192,126</u>	<u>367,476</u>	<u>539,549</u>
No. of PLS Shares in issue ('000)	350,700	350,700	350,700	⁽⁵⁾ 526,050	526,050
NA per PLS Share (RM) ⁽⁹⁾	0.55	0.55	0.55	0.70	1.03
Interest bearing debt (RM'000)	103,527	103,527	⁽⁴⁾ 317,042	317,042	⁽⁸⁾ 103,527
Gearing (times) ⁽¹⁰⁾	0.53	0.54	1.65	0.86	0.19

Notes:

- (1) *For illustrative purposes only, the Warrants are assumed to have fair value of RM0.3577 per Warrant derived based on the Trinomial Option Pricing Model as at the LPD.*
- (2) *After deducting the fair value of the 175,350,000 Warrants and the estimated expenses relating to the Proposed Warrants Issue of approximately RM834,000. The estimated expenses relating to the Proposed Warrants Issue was arrived at by apportioning the total estimated expenses relating to the Proposals of RM1,850,000, based on the proceeds received, i.e. the proceeds to be received from the Proposed Warrants Issue of RM175.3 million divided by the total proceeds to be received from the Proposals of RM388.9 million.*
- (3) *After deducting the estimated expenses relating to the Proposed Rights Issue and Proposed Amendments of approximately RM1,016,000. The estimated expenses relating to the Proposed Rights Issue and Proposed Amendments were arrived at by apportioning the total estimated expenses relating to the Proposals of RM1,850,000, based on the proceeds received, i.e. the proceeds to be received from the Proposed Rights Issue of RM213.5 million divided by the total proceeds to be received from the Proposals of RM388.9 million.*
- (4) *After taking into account the RPS amounting to RM213,514,600 which is classified as a financial liability in accordance with the Malaysian Financial Reporting Standards 132 'Financial Instruments: Presentation' which states that a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability ("MFRS 132").*
- (5) *Assuming 175,350,000 Warrants are exercised into 175,350,000 new PLS Shares at an illustrative exercise price of RM1.00 per Warrant and the reversal of fair value adjustment on the Warrants of RM62,723,000.*
- (6) *After the eighth (8th) anniversary of the date of issuance of the RPS.*
- (7) *After taking into account the amount transferred into the share capital account (contributed capital) pursuant to the redemption of the RPS via internally generated funds from the durian plantation businesses and/or banks borrowings, if required.*
- (8) *After taking into account the cumulative dividend on the RPS amounting to RM117,433,000 and assuming that there will be sufficient future profits for the full redemption of the RPS.*
- (9) *Calculated as equity attributable to the owners of our Company divided by the number of PLS Shares in issue.*
- (10) *Calculated as total borrowings divided by equity attributable to owners of our Company.*

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Maximum Scenario

		(I)	(II)	(III)	(IV)
	Audited as at 31 March 2019	After the Proposed Warrants Issue	After (I) and assuming full exercise of the Warrants	After (II) and the Proposed Rights Issue	After (III) and assuming full redemption of the RPS ⁽⁷⁾
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share capital	87,961	87,961	⁽³⁾ 326,034	326,034	326,034
Contributed capital	-	-	-	-	⁽⁸⁾ 1,052,100
Warrants reserve	-	⁽¹⁾ 62,723	⁽³⁾ -	-	-
Retained earnings	106,015	⁽²⁾ 43,028	43,028	⁽⁴⁾ 41,442	⁽⁹⁾ -
Shareholders' funds / NA	193,976	193,712	369,062	367,476	1,378,134
No. of PLS Shares in issue ('000)	350,700	350,700	⁽³⁾ 526,050	526,050	526,050
NA per PLS Share (RM) ⁽¹⁰⁾	0.55	0.55	0.70	0.70	2.62
Interest bearing debt (RM'000)	103,527	103,527	103,527	⁽⁵⁾⁽⁶⁾ 1,065,627	⁽⁹⁾ 13,527
Gearing (times) ⁽¹¹⁾	0.53	0.53	0.28	2.90	0.01

Notes:

- (1) For illustrative purposes only, the Warrants are assumed to have fair value of RM0.3577 per Warrant derived based on the Trinomial Option Pricing Model as at the LPD.
- (2) After deducting the fair value of the 175,350,000 Warrants and the estimated expenses relating to the Proposed Warrants Issue of approximately RM264,000. The estimated expenses relating to the Proposed Warrants Issue was arrived at by apportioning the total estimated expenses relating to the Proposals of RM1,850,000, based on the proceeds received, i.e. the proceeds to be received from the Proposed Warrants Issue of RM175.3 million divided by the total proceeds to be received from the Proposals of RM1,227.4 million.
- (3) Assuming 175,350,000 Warrants are exercised into 175,350,000 new PLS Shares at an illustrative exercise price of RM1.00 per Warrant and the reversal of fair value adjustment on the Warrants of RM62,723,000.
- (4) After deducting the estimated expenses relating to the Proposed Rights Issue and Proposed Amendments of approximately RM1,586,000. The estimated expenses relating to the Proposed Rights Issue and Proposed Amendments of approximately RM1,586,000 were arrived at by apportioning the total estimated expenses relating to the Proposals of RM1,850,000, based on the proceeds received, i.e. the proceeds to be received from the Proposed Rights Issue of RM1,052.1 million divided by the total proceeds to be received from the Proposals of RM1,227.4 million.
- (5) After taking into account the RPS amounting to RM1,052,100,000 which is classified as a financial liability in accordance with MFRS 132.
- (6) Assuming repayment of the Banking Facilities of RM90,000,000 from the proceeds raised from the Proposed Rights Issue as stated in Section 3 of this Circular.
- (7) After the eighth (8th) anniversary of the date of issuance of the RPS.
- (8) After taking into account the amount transferred into the share capital account (contributed capital) pursuant to the redemption of the RPS via internally generated funds from the durian plantation businesses and/or banks borrowings, if required.

- (9) *After taking into account the cumulative dividend on the RPS amounting to RM578,655,000 and assuming that there will be sufficient future profits for the full redemption of the RPS.*
- (10) *Calculated as equity attributable to the owners of our Company divided by the number of PLS Shares in issue.*
- (11) *Calculated as total borrowings divided by equity attributable to owners of our Company.*

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7.3 Substantial shareholders' shareholding

The proforma effects of the Proposed Warrants Issue and Proposed Rights Issue on the shareholding of the substantial shareholders of our Company based on the Register of Substantial Shareholders of our Company are as follows:

Name	Minimum Scenario						Pro forma I				Pro forma II				
	As at the LPD			After the Proposed Warrants Issue			After Pro forma I and the Proposed Rights Issue			After Pro forma I and the Proposed Rights Issue					
	Direct	Indirect	%	No. of PLS Shares	%	No. of PLS Shares	Direct	Indirect	%	No. of PLS Shares	%	No. of PLS Shares	Direct	Indirect	%
EB	106,757,300	-	30.44	106,757,300	-	106,757,300	106,757,300	-	30.44	106,757,300	-	106,757,300	106,757,300	-	30.44
Limbongan Resources Sdn Bhd ("LRSB")	74,970,000	-	21.38	74,970,000	-	74,970,000	74,970,000	-	21.38	74,970,000	-	74,970,000	74,970,000	-	21.38
Tan Sri Dato' Lim Kang Yew ("TSLKY")	36,175,000	-	10.32	36,175,000	-	36,175,000	36,175,000	-	10.32	36,175,000	-	36,175,000	36,175,000	-	10.32
Dato' Lim Kang Poh ("DLKP")	22,323,000	-	6.37	22,323,000	-	22,323,000	22,323,000	-	6.37	22,323,000	-	22,323,000	22,323,000	-	6.37
Lee Hun Kheng ("LHK")	-	(1)74,970,000	21.38	-	(1)74,970,000	-	-	(1)74,970,000	21.38	-	(1)74,970,000	-	-	(1)74,970,000	21.38
Datuk Lim Keng Guan ("DLKG")	-	(2)81,605,000	23.27	-	(2)81,605,000	-	-	(2)81,605,000	23.27	-	(2)81,605,000	-	-	(2)81,605,000	23.27
Tan Sri Dato' Lim Kang Hoo ("TSDLKH")	-	(3)106,757,300	30.44	-	(3)106,757,300	-	-	(3)106,757,300	30.44	-	(3)106,757,300	-	-	(3)106,757,300	30.44

Notes:

- (1) By virtue of deemed interest in LRSB.
- (2) By virtue of deemed interest in LRSB and Lim Seong Hai Holdings Sdn Bhd ("LSHH").
- (3) By virtue of deemed interest in EB.

Name	Pro forma III				Pro forma IV			
	After Pro forma II and assuming full exercise of the Warrants				After Pro forma III and assuming full redemption of the RPS			
	Direct	Indirect	No. of PLS Shares	%	Direct	Indirect	No. of PLS Shares	%
EB	160,135,950	-	30.44	-	160,135,950	-	30.44	-
LRSB	112,455,000	-	21.38	-	112,455,000	-	21.38	-
TSLKY	54,262,500	-	10.32	-	54,262,500	-	10.32	-
DLKP	33,484,500	-	6.37	-	33,484,500	-	6.37	-
LHK	-	(1)112,455,000	-	21.38	-	(1)112,455,000	-	21.38
DLKG	-	(2)122,407,500	-	23.27	-	(2)122,407,500	-	23.27
TSDLKH	-	(3)160,135,950	-	30.44	-	(3)160,135,950	-	30.44

Notes:

- (1) By virtue of deemed interest in LRSB.
- (2) By virtue of deemed interest in LRSB and LSHH.
- (3) By virtue of deemed interest in EB.

Maximum Scenario

Name	As at the LPD				Pro forma I				Pro forma II			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of PLS Shares	%	No. of PLS Shares	%	No. of PLS Shares	%	No. of PLS Shares	%	No. of PLS Shares	%	No. of PLS Shares	%
EB	106,757,300	30.44	-	-	106,757,300	30.44	-	-	160,135,950	30.44	-	-
LRSB	74,970,000	21.38	-	-	74,970,000	21.38	-	-	112,455,000	21.38	-	-
TSLKY	36,175,000	10.32	-	-	36,175,000	10.32	-	-	54,262,500	10.32	-	-
DLKP	22,323,000	6.37	-	-	22,323,000	6.37	-	-	33,484,500	6.37	-	-
LHK	-	-	(1)74,970,000	21.38	-	-	(1)74,970,000	21.38	-	-	(1)112,455,000	21.38
DLKG	-	-	(2)81,605,000	23.27	-	-	(2)81,605,000	23.27	-	-	(2)122,407,500	23.27
TSDLKH	-	-	(3)106,757,300	30.44	-	-	(3)106,757,300	30.44	-	-	(3)160,135,950	30.44

Notes:

- (1) By virtue of deemed interest in LRSB.
- (2) By virtue of deemed interest in LRSB and LSHH.
- (3) By virtue of deemed interest in EB.

Name	Pro forma III				Pro forma IV			
	After Pro forma II and the Proposed Rights Issue				After Pro forma III and assuming full redemption of the RPS			
	Direct		Indirect		Direct		Indirect	
No. of PLS Shares	%	No. of PLS Shares	%	No. of PLS Shares	%	No. of PLS Shares	%	
EB	160,135,950	30.44	-	-	160,135,950	30.44	-	-
LRSB	112,455,000	21.38	-	-	112,455,000	21.38	-	-
TSLKY	54,262,500	10.32	-	-	54,262,500	10.32	-	-
DLKP	33,484,500	6.37	-	-	33,484,500	6.37	-	-
LHK	-	-	(1)112,455,000	21.38	-	-	(1)112,455,000	21.38
DLKG	-	-	(2)122,407,500	23.27	-	-	(2)122,407,500	23.27
TSDLKH	-	-	(3)160,135,950	30.44	-	-	(3)160,135,950	30.44

Notes:

- (1) By virtue of deemed interest in LRSB.
- (2) By virtue of deemed interest in LRSB and LSHH.
- (3) By virtue of deemed interest in EB.

7.4 EPS

As the Proposed Warrants Issue and Proposed Rights Issue are expected to be completed in the first (1st) and second (2nd) quarter of 2020 respectively, the Proposed Warrants Issue and Proposed Rights Issue are not expected to have any material effect on the earnings of our Group for the FYE 31 March 2020.

The consolidated EPS of our Company may be reduced correspondingly as a result of the increase in the number of PLS Shares as and when the Warrants are exercised into new PLS Shares. Nevertheless, the Proposed Warrants Issue and Proposed Rights Issue are expected to contribute positively to the future earnings of our Group via the use of the proceeds.

7.5 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

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8. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for:
 - (a) admission of the Warrants and the RPS to the Official List of Bursa Securities; and
 - (b) listing and quotation of the following on the Main Market of Bursa Securities:
 - (1) 175,350,000 Warrants;
 - (2) up to 175,350,000 Exercised Shares; and
 - (3) up to 1,052,100,000 RPS,

which was obtained vide its letter dated 9 January 2020 (which was received on 10 January 2020) and is subject to, among others, the following conditions:

<u>No.</u>	<u>Condition</u>	<u>Status of compliance</u>
(i)	PLS and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	Noted
(ii)	PLS and Maybank IB to ensure that the issuance of securities pursuant to the Proposals will not aggravate the non-compliance of the public shareholding spread of PLS;	To be complied
(iii)	PLS and Maybank IB to inform Bursa Securities upon the completion of the Proposals;	To be complied
(iv)	PLS and Maybank IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed; and	To be complied
(v)	PLS to furnish Bursa Securities on a quarterly basis a summary of the total number of ordinary shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

- (ii) shareholders of our Company at the forthcoming EGM;
- (iii) BNM for the issuance of RPS to non-resident shareholders of our Company which is pending;
- (iv) any other relevant authorities and/or parties, if required.

The Proposed Warrants Issue and the Proposed Rights Issue are not conditional upon each other. The Proposed Amendments and the Proposed Rights Issue are inter-conditional upon each other. The Proposed Amendments and the Proposed Warrants Issue are not conditional upon each other.

The Proposals are not conditional upon any other corporate exercise/scheme of our Company.

9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the directors and/or major shareholders of our Company and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Warrants Issue and Proposed Rights Issue, other than their respective entitlements under the Proposed Warrants Issue and Proposed Rights Issue as shareholders of our Company, for which all other Warrants Entitled Shareholders and Rights Entitled Shareholders are also similarly entitled.

None of the directors and/or major shareholders of our Company and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Amendments.

10. DIRECTORS' RECOMMENDATION

Our Board, having considered all aspects of the Proposals including the rationale for and effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

11. TENTATIVE TIMETABLE

Barring any unforeseen circumstances, the Proposed Warrants Issue is expected to be completed by the first (1st) quarter of 2020 while the Proposed Rights Issue is expected to be completed by the second (2nd) quarter of 2020. The tentative timetable for the Proposals is as follows:

Event	Tentative timeline
EGM for the Proposals and announcement of the Warrants Entitlement Date	Mid February 2020
Warrants Entitlement Date	Early March 2020
Announcement of the Rights Entitlement Date	Mid March 2020
Listing and quotation of the Warrants on the Main Market of Bursa Securities	Mid March 2020
Despatch of the abridged prospectus, notice of provisional allotment and rights subscription form for the Proposed Rights Issue	End March 2020
Last day for the sale and transfer of provisional allotment of the RPS	Early April 2020
Closing date for the Proposed Rights Issue	Mid April 2020
Listing and quotation of the RPS	End April 2020
Completion of the Proposed Rights Issue	End April 2020

12. HISTORICAL SHARE PRICES

The monthly high and low market prices of PLS Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	<u>High (RM)</u>	<u>Low (RM)</u>
2019		
December	0.86	0.79
November	0.94	0.66
October	0.74	0.64
September	0.81	0.69
August	0.89	0.77
July	0.99	0.89
June	0.99	0.93
May	1.09	0.84
April	1.31	0.95
March	1.01	0.91
February	1.02	0.75
January	(1)-	(1)-
Last transacted market price of the PLS Shares on the Announcement LTD		0.70
Last transacted market price of the PLS Shares as at the LTD		0.80

Note:

(1) There was no trading in PLS Shares in this month.

(Source: Bloomberg)

13. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and the corporate exercises disclosed below, there is no other corporate exercise which our Company has announced on Bursa Securities but is pending completion prior to the printing of this Circular:

On 31 October 2019, our Company had announced that Jasa Indahmas Sdn Bhd, a wholly-owned subsidiary of our Company, had on 30 October 2019 entered into a conditional sale and purchase agreement with Lee Seng Yean & Brothers Sdn Bhd in relation to the proposed acquisition of 12 parcels of lands measuring approximately 69.63 acres in Mukim Bukit Lintang, Daerah Melaka Tengah, Melaka for a total cash consideration of RM20 million. As at the LPD, the said acquisition is pending completion and is expected to be completed by the first (1st) quarter of 2020.

14. EGM

Our EGM will be held at Oriental Star, 2nd Floor, EkoCheras Mall, No. 693, Batu 5, Jalan Cheras, 56000 Kuala Lumpur on Thursday, 13 February 2020, at 11.00 a.m. or any adjournment thereof, for the purpose of considering and if deemed fit, passing the resolutions with or without any modification to give effect to the Proposals. You are advised to refer to the Notice of EGM and Proxy Form which are enclosed in this Circular.

If you are unable to attend and vote in person at the forthcoming EGM, you may appoint proxy or proxies to attend and vote on your behalf. If you wish to do so, you should complete and deposit the Proxy Form at the registered office of our Company situated at Unit No. 9-01, Level 9, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding our EGM or any adjournment thereof or in case of poll, not less than 24 hours before the time appointed for taking the poll. The Proxy Form should be completed strictly in compliance with the instructions contained therein. The lodging of the Proxy Form will not preclude you from attending and voting in person at our EGM should you subsequently decide to do so.

15. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of
PLS PLANTATIONS BERHAD

TAN SRI DATO' LIM KANG HOO
Executive Chairman

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SALIENT TERMS OF THE WARRANTS

Issue size	: 175,350,000 Warrants to be issued on the basis of one (1) Warrant for every two (2) PLS Shares held by the Warrants Entitled Shareholders on the Warrants Entitlement Date.
Issue Date	: The date on which the Warrants are issued.
Form and constitution	: The Warrants shall be issued in registered form and constituted by the Deed Poll.
Exercise Period	: The period commencing on, and inclusive of, the Issue Date and ending at 5.00 p.m. on the Expiry Date, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day.
Expiry Date	: The day falling immediately before the 10 th anniversary of the Issue Date.
Exercise Price	: The exercise price of the Warrants shall be determined by our Board at a later date after obtaining the relevant approvals but prior to the announcement of the Warrants Entitlement Date.
Exercise Rights	: Each Warrant entitles the Warrant Holders to subscribe for one (1) Exercised Share at the Exercise Price at any time during the Exercise Period subject to the provisions of the Deed Poll. Any Warrant not exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose.
Mode of exercise	: The Warrant Holders are required to lodge an exercise notice (which shall be irrevocable), as set out in the Deed Poll, with our Company's share registrar, duly completed and signed together with payment of the Exercise Price via banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
Board lot	: The Warrants are tradable upon listing in board lots of 100 units or such other number of units as may be prescribed by Bursa Securities.
Ranking of the Warrants	: The Warrants shall, as between the Warrant Holders, rank equally in all respect.
Ranking of the Exercised Shares	: The Exercised Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PLS Shares except that the Exercised Shares will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the Exercised Shares.

SALIENT TERMS OF THE WARRANTS *(Cont'd)*

- Adjustments to the Exercise Price and/or the number of Warrants : The Exercise Price and/or the number of Warrants shall, from time to time be adjusted by our Board in consultation with the approved adviser appointed and certified by the auditors, in all or any of the following:
- (i) any consolidation, subdivision or conversion of the PLS Shares; or
 - (ii) an issue by our Company of PLS Shares to shareholders of our Company by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund, if applicable); or
 - (iii) capital distribution to shareholders made by PLS whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (iv) an offer or invitation to the shareholders of PLS made by our Company to acquire or subscribe for PLS Shares by way of rights; or
 - (v) an offer or invitation to the shareholders of PLS made by our Company by way of rights to acquire or subscribe for securities convertible into new PLS Shares, or
 - (vi) any other circumstances that are deemed necessary by our Board.
- Rights of the Warrant Holders : The Warrant Holders shall not be entitled to any dividend, right, allotment or other distributions in our Company until and unless such Warrant Holders exercise their Warrants for new PLS Shares in which event any entitlement will be as specified above under "Ranking of the Exercised Shares".
- Amendments to the rights of the Warrant Holders : Save as otherwise provided in the Deed Poll, a special resolution of the Warrant Holders is required to sanction any alteration or abrogation in respect of the rights of the Warrant Holders. A special resolution may also sanction the compulsory exchange, surrender or cancellation of unexercised Warrants in return for shares, other warrants, debentures or other securities or for any other consideration, whether in PLS or in any other company or corporation (wherever incorporated) on any terms and/or conditions. Any such modification shall however be subject to the approval of any relevant authorities, where required.
- Rights in the event of winding up, liquidation or an event of default : If a resolution is passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then:
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the registered Warrant Holders (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant Holders; and
 - (ii) in any other cases, every Warrant Holder shall be entitled to exercise his/her Warrants at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of our Company or within six (6) weeks after the granting of the court order approving the winding-up, compromise or arrangement (as the case may be), whereupon our Company shall allot the relevant Exercised Shares to such Warrant Holder credited as fully paid subject to the prevailing laws, and such Warrant Holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he/she had on such date been the holder

SALIENT TERMS OF THE WARRANTS *(Cont'd)*

of the Exercised Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all Exercise Rights of the Warrants shall lapse and cease to be valid for any purpose.

- Transferability : The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Malaysia Depository Sdn Bhd.
- Listing status : The Warrants will be listed and quoted on the Main Market of Bursa Securities.
- Deed Poll : The Warrants shall be constituted by the Deed Poll.
- Governing laws : Laws of Malaysia.

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SALIENT TERMS OF THE RPS

- Issue size : The Proposed Rights Issue entails the issuance of up to 1,052,100,000 RPS to be issued on the basis of two (2) RPS for every one (1) PLS Shares held by the Rights Entitled Shareholders on the Rights Entitlement Date.
- Issue Date : The date on which the RPS are issued.
- Issue Price : RM1.00 per RPS.
- Tenure : No fixed maturity.
- Board lot : The RPS are tradable upon listing in board lots of 100 units or such other number of units as may be prescribed by Bursa Securities.
- Dividends : The RPS shall carry the right to receive cumulative preferential dividend rate out of the distributable profits of our Company on the following basis:

Tenure	Year 1 - 2	Year 3 - 5	Year 6 until the redemption date of the RPS
Preferential dividend rate per annum	5%	6%	9%

- (a) The RPS holders shall be entitled to receive cumulative preferential dividend, payable on an annual basis and in arrears at the cumulative preferential dividend rate mentioned above during the tenure of the RPS.
- (b) Subject to the provision of the Act including the requirement for the availability of profits, the cumulative preferential dividend shall accrue and be paid in cash upon such dividend pay-out date as declared by our Company. Subject to the availability of profits, the dividend shall be distributable annually.
- (c) So long as any RPS remains outstanding, and in the event that any dividend is declared by our Company, our Company shall not pay dividend on PLS Shares unless the cumulative preferential dividend payable on the RPS have been paid in full.
- Form and denomination : The RPS are to be issued in registered form and in multiples of the RPS's issue price.
- Conversion right : The RPS is not convertible into PLS Shares.
- Ranking of the RPS : In the event of liquidation, dissolution or winding up, the RPS shall rank in priority to any other unsecured securities or ordinary shares of PLS. The RPS shall constitute direct, unconditional, unsecured and unsubordinated obligations of PLS and will upon allotment and issuance, rank equally without any preference or priority among themselves and in priority to other redeemable preference shares that may be created in the future, but shall rank behind all secured obligations of PLS.
- Redemption : The RPS have no fixed final date of redemption.

SALIENT TERMS OF THE RPS (Cont'd)

At our Company's Option

Subject to any applicable laws, our Company may redeem the RPS, in full or in part on pro rata basis the outstanding RPS, at any time on or after the Issue Date at the Redemption Price.

Our Company shall give not less than 60 days' notice in writing to the RPS holders ("**Redemption Notice**") specifying:

- (i) the number of RPS held by each holder to be redeemed as at the book closure date;
- (ii) the Redemption Price; and
- (iii) the date of redemption of the RPS which shall be a date within 90 days from the date of the Redemption Notice ("**Redemption Date**").

At the RPS holder's Option

Subject to any applicable laws, each of the RPS holders shall have the right to require and procure our Company to redeem all or part of the outstanding RPS held by the respective RPS holder at the Redemption Price at any time after the 8th anniversary of the Issue Date.

Our Company shall give notice in writing to the RPS holders on each anniversary date after the 8th anniversary of the Issue Date ("**RPS Holders Redemption Notice**") specifying:

- (i) whether our Company has complied with all applicable laws to enable it to redeem the RPS;
- (ii) subject to our Company's compliance of the applicable laws in relation to redemption of the RPS, that each RPS holder is entitled to require and procure our Company to redeem such number of RPS held as at the book closure date to be determined;
- (iii) the Redemption Price; and
- (iv) the date of redemption of the RPS which shall be the 30th day from the date of the RPS Holders Redemption Notice or such other later date as may be specified in the notice ("**RPS Holders Redemption Date**").

Redemption Price : The Redemption Price is equivalent to the aggregate of (a) the Issue Price of the RPS; and (b) any cumulative preferential dividends declared but unpaid as at the Redemption Date or the RPS Holders Redemption Date, as the case may be.

Voting rights of the RPS holders : General meeting:

The RPS holders shall not be entitled to vote at any general meeting of the ordinary shareholders of our Company except for the right to vote in person or by proxy or by attorney at such meeting in each of the following circumstances:

- (i) on a proposal to reduce our Company's share capital;

SALIENT TERMS OF THE RPS (Cont'd)

- (ii) on a proposal for the disposal of substantially or the whole of our Company's property, business and undertaking;
- (iii) on a proposal that affects rights and privileges attached to the RPS;
- (iv) on a proposal to wind up our Company;
- (v) during the winding-up of our Company; and
- (vi) other circumstances as may be provided under law and applicable to preference shares and/or preference shareholders from time to time.

Rights to receive notices, reports and attend meetings:

The RPS holders shall have the right to receive notices, reports and audited financial statements and to attend meetings and to receive shareholders' resolutions in writing of which shareholders of ordinary shares of our Company are entitled, but shall not be entitled to vote at any general meeting save as provided above.

RPS class meeting:

Every RPS holders shall be entitled to vote at any class meeting of the RPS holders in relation to any proposal by our Company to vary or abrogate the rights of the RPS as stated in the Constitution.

Every RPS holder who is present in person at such class meeting will have one vote on a show of hands and on a poll, every RPS holder who is present in person or by proxy will have one vote for every RPS of which it/he is the holder.

Surplus profits:

Subject to the rights to the cumulative preferential dividends out of the distributable profits of our Company, the RPS holders shall not be entitled to participate in the surplus profits of our Company (if any) remaining at such time after the payment of the preferential dividends.

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|---------------------|---|---|
| Transferability | : | The RPS shall be transferable, subject to the applicable laws, regulations and rules that would apply to the securities of our Company. |
| Variation of rights | : | Unless otherwise required by applicable law, any variation or abrogation of the rights, preferences and privileges of the RPS, by way of amendment of the Constitution or otherwise (including, without limitation, the authorisation or creation of any securities or ownership interests of our Company ranking, as to participation in the profits or assets of our Company, equally or senior to the RPS) shall require the consent in writing of the RPS holder holding at least 75% RPS then outstanding. |
| Listing status | : | The RPS will be listed and quoted on the Main Market of Bursa Securities. |
| Governing Law | : | Laws of Malaysia. |

AMENDMENTS TO OUR CONSTITUTION

Our Constitution shall be altered, modified or amended in the following manner:

Clause	Existing Clause	Amended Clause								
To insert a new Clause 8A	Nil	<p>The Company may issue Redeemable Preference Shares ("RPS") which shall confer on the RPS holders the following rights:</p> <p>Issue price : RM1.00 per RPS.</p> <p>Tenure : No fixed maturity.</p> <p>Board lot : The RPS are tradable upon listing in board lots of 100 units or such other number of units as may be prescribed by Bursa Securities.</p> <p>Dividends : The RPS shall carry the right to receive cumulative preferential dividend rate out of the distributable profits of the Company on the following basis:</p> <table border="1" data-bbox="837 896 1444 1276"> <thead> <tr> <th></th> <th>Year 1 – 2</th> <th>Year 3 – 5</th> <th>Year 6 until the redemption date of the RPS</th> </tr> </thead> <tbody> <tr> <td>Preferential dividend rate per annum</td> <td>5%</td> <td>6%</td> <td>9%</td> </tr> </tbody> </table> <p>(a) The RPS holders shall be entitled to receive cumulative preferential dividend, payable on an annual basis and in arrears at the cumulative preferential dividend rate mentioned above during the tenure of the RPS.</p> <p>(b) Subject to the provision of the Act including the requirement for the availability of profits, the cumulative preferential dividend shall accrue and be paid in cash upon such dividend payout date as declared by the Company. Subject to the availability of profits, the dividend shall be distributable annually.</p> <p>(c) So long as any RPS remains outstanding, and in the event that any dividend is declared by the Company, the Company shall not pay dividend on the ordinary shares of the Company unless the cumulative preferential dividend payable on the RPS have been paid in full.</p>		Year 1 – 2	Year 3 – 5	Year 6 until the redemption date of the RPS	Preferential dividend rate per annum	5%	6%	9%
	Year 1 – 2	Year 3 – 5	Year 6 until the redemption date of the RPS							
Preferential dividend rate per annum	5%	6%	9%							

AMENDMENTS TO OUR CONSTITUTION (Cont'd)

		<p>Form and denomination : The RPS are to be issued in registered form and in multiples of the RPS's issue price.</p> <p>Conversion right : The RPS is not convertible into ordinary shares of the Company.</p> <p>Ranking of the RPS : In the event of liquidation, dissolution or winding up, the RPS shall rank in priority to any other unsecured securities or ordinary shares of the Company.</p> <p>The RPS shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and will upon allotment and issuance, rank equally without any preference or priority among themselves and in priority to other redeemable preference shares that may be created in the future, but shall rank behind all secured obligations of the Company.</p> <p>Redemption : The RPS have no fixed final date of redemption.</p> <p><u>At the Company's Option</u></p> <p>Subject to any applicable laws, the Company may redeem the RPS, in full or in part on pro rata basis the outstanding RPS, at any time on or after the date of issuance of the RPS ("Issue Date") at the Redemption Price (as defined below).</p> <p>The Company shall give not less than 60 days' notice in writing to the RPS holders ("Redemption Notice") specifying:</p> <ul style="list-style-type: none"> (i) the number of RPS held by each holder to be redeemed as at the book closure date; (ii) the Redemption Price; and (iii) the date of redemption of the RPS which shall be a date within 90 days from the date of the Redemption Notice ("Redemption Date"). <p><u>At the RPS holder's Option</u></p> <p>Subject to any applicable laws, each of the RPS holders shall have the right to require and procure the Company to redeem all or part of the outstanding RPS held by the respective RPS holder at the Redemption Price at any time after the 8th anniversary of the Issue Date.</p> <p>The Company shall give notice in writing to the RPS holders on each anniversary date after the 8th anniversary of the Issue Date ("RPS Holders Redemption Notice") specifying:</p> <ul style="list-style-type: none"> (i) whether the Company has complied with all applicable laws to enable it to redeem the RPS;
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AMENDMENTS TO OUR CONSTITUTION (Cont'd)

		<p>(ii) subject to the Company's compliance of the applicable laws in relation to redemption of the RPS, that each RPS holder is entitled to require and procure the Company to redeem such number of RPS held as at the book closure date to be determined;</p> <p>(iii) the Redemption Price; and</p> <p>(iv) the date of redemption of the RPS which shall be the 30th day from the date of the RPS Holders Redemption Notice or such other later date as may be specified in the notice ("RPS Holders Redemption Date").</p> <p>Redemption Price : The Redemption Price is equivalent to the aggregate of (a) the Issue Price of the RPS; and (b) any cumulative preferential dividends declared but unpaid as at the Redemption Date or the RPS Holders Redemption Date, as the case may be.</p> <p>Voting rights of the RPS holders : <u>General meeting:</u></p> <p>The RPS holders shall not be entitled to vote at any general meeting of the ordinary shareholders of the Company except for the right to vote in person or by proxy or by attorney at such meeting in each of the following circumstances:</p> <p>(i) on a proposal to reduce the Company's share capital;</p> <p>(ii) on a proposal for the disposal of substantially or the whole of the Company's property, business and undertaking;</p> <p>(iii) on a proposal that affects rights and privileges attached to the RPS;</p> <p>(iv) on a proposal to wind up the Company;</p> <p>(v) during the winding-up of the Company; and</p> <p>(vi) other circumstances as may be provided under law and applicable to preference shares and/or preference shareholders from time to time.</p> <p><u>Rights to receive notices, reports and attend meetings:</u></p> <p>The RPS holders shall have the right to receive notices, reports and audited financial statements and to attend meetings and to receive shareholders' resolutions in writing of which shareholders of ordinary shares of the Company are entitled, but shall not be entitled to vote at any general meeting save as provided above.</p>
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AMENDMENTS TO OUR CONSTITUTION (Cont'd)

		<p><u>RPS class meeting:</u></p> <p>Every RPS holders shall be entitled to vote at any class meeting of the RPS holders in relation to any proposal by the Company to vary or abrogate the rights of the RPS as stated in the Constitution.</p> <p>Every RPS holder who is present in person at such class meeting will have one vote on a show of hands and on a poll, every RPS holder who is present in person or by proxy will have one vote for every RPS of which it/he is the holder.</p> <p><u>Surplus Profits:</u></p> <p>Subject to the rights to the cumulative preferential dividends out of the distributable profits of the Company, the RPS holders shall not be entitled to participate in the surplus profits of the Company (if any) remaining at such time after the payment of the preferential dividends.</p> <p>Transferability : The RPS shall be transferable, subject to the applicable laws, regulations and rules that would apply to the securities of our Company.</p> <p>Variation of rights : Unless otherwise required by applicable law, any variation or abrogation of the rights, preferences and privileges of the RPS, by way of amendment of the Constitution or otherwise (including, without limitation, the authorisation or creation of any securities or ownership interests of the Company ranking, as to participation in the profits or assets of the Company, equally or senior to the RPS) shall require the consent in writing of the RPS holder holding at least 75% RPS then outstanding.</p> <p>Listing status : The RPS will be listed and quoted on the Main Market of Bursa Securities.</p>
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FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT AND CONFLICT OF INTERESTS**2.1 Maybank IB**

Maybank IB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated businesses ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or any of our affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the date of this Circular, the Maybank Group has granted a credit facility to our Group which has yet to be drawdown. The said credit facility has been extended by the Maybank Group in the ordinary course of business.

Maybank IB confirms that the aforesaid lending relationship would not give rise to a conflict of interest situation in its capacity as Principal Adviser for the Proposals as:

- (i) the extension of the credit facility arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by the Financial Services Act, 2013, Islamic Financial Services Act, 2013 and the Maybank Group's own internal controls and checks; and
- (iii) the total amount granted to our Group by the Maybank Group is not material when compared to the audited NA of the Maybank Group as at 31 December 2018 of RM75.3 billion.

Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser for the Proposals.

FURTHER INFORMATION (Cont'd)**2.2 Astramina**

Astramina, being the Financial Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Astramina is also the financial adviser to EB for the proposed subscription by EB under the Proposed Rights Issue. This may potentially give rise to conflict of interest on the part of Astramina, being the Financial Adviser to our Company for the Proposed Rights Issue. However, any potential conflict of interest is mitigated by the following:

- (i) our Board and the Board of Directors of EB are fully informed and aware of Astramina's capacity and scope as the financial adviser to PLS and EB respectively; and
- (ii) there are other professionals such as the Principal Adviser and legal counsel to advise our Company on the Proposed Rights Issue.

Save as disclosed above, Astramina is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Financial Adviser for the Proposals.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

Save for capital expenditures for new planting of bearer plants and biological assets as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the profits and/or NA of our Group:

	<u>(RM'000)</u>
Capital expenditures for new planting of bearer plants and biological assets:	
- Approved and contracted for	5,921
- Approved and not contracted for	13,321
Total	<u>19,242</u>

FURTHER INFORMATION (Cont'd)**3.2 Contingent liabilities**

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profits and/or NA of our Group:

	<u>(RM'000)</u>
Corporate guarantee to third party in respect of purchasing of machinery by a subsidiary (unsecured)	142
Bank guarantee to third party in respect of utilities security deposit	84
Financial guarantee to third party in respect of term loans facility held by a subsidiary	87,057
Financial guarantee to third party in respect of term financing facilities held by a subsidiary	1,979
Total	<u>89,262</u>

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings, pending or threatened, against our Group or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of our Group:

The Company (“Plaintiff”) v Josu Engineering Construction Sdn Bhd (“Josu” or Defendant”) Court of Appeal, Civil Appeal No.: W-02(C)(A)-2269-12/2019

On 18 December 2002, our Company had terminated a sub-contract which had been awarded by our Company to Josu, for failure to complete certain sub-contracted works in accordance with the agreed schedule. The termination was accepted by the Defendant, and in accordance with the terms of the sub-contract, our Company engaged other contractors to complete the said sub-contracted works.

On 6 August 2007, our Company filed a suit against the Defendant, claiming a sum of RM10,303,000 for damages incurred by our Company in completing the sub-contracted works. The Defendant is counter-claiming a sum of RM11,612,000 being damages allegedly suffered.

On 21 November 2012, our Company had filed an application to amend its writ and statement of claim to include a prayer for pre-judgement interests and was allowed by the Shah Alam High Court and the matter has been fixed for full trial from 26 November 2012 to 28 November 2012.

However, Josu filed an application to the Shah Alam High Court to refer the matter to an arbitrator on 22 November 2012. As such, the Shah Alam High Court vacated the trial dates. On 5 December 2012, both parties have entered into a Consent Order to refer the matter to an arbitrator for determination and the Shah Alam High Court stayed in favour of the arbitration. The arbitrator had decided based on the interim award on liability dated 13 November 2017 (“**Interim Award**”), among others, that neither party is entitled to terminate the sub-contract and that our Company’s termination of the sub-contract was wrongful and therefore not valid.

FURTHER INFORMATION (Cont'd)

Thereafter, our Company filed its originating summons dated 22 December 2017 (“**Originating Summons**”) pursuant to Section 42 of the Arbitration Act 2005 at the Kuala Lumpur High Court. On 23 October 2019, the Judicial Commissioner at the Kuala Lumpur High Court had sought further clarifications on the parties’ written submissions in respect of the Originating Summons, including issues related to concurrent delay and the prayers sought by our Company in its application amongst others.

On 27 November 2019, the learned Judicial Commissioner was inclined to agree with the Defendant and dismissed our Company’s application with costs subject to allocator fees. The learned Judicial Commissioner was of the view that our Company’s questions of law posed in its application were not within the context of Section 42 of the Arbitration Act 2005 and had no merits.

On 5 December 2019, our Company had filed a Notice of Appeal against the decision of the learned Judicial Commissioner. The case management for this appeal has been fixed for 2 March 2020 by way of e-review. Relying on the advice of its solicitors, our Board believes that our Company has a fair chance of succeeding in its appeal. The maximum exposure to liabilities that our Company may face remains uncertain because parties are still disputing on the issue of liability and quantum has not been assessed at this juncture.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit No. 9-01, Level 9, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) our Constitution;
- (ii) audited consolidated financial statements of our Company for the past two (2) FYEs 31 March 2018 and 31 March 2019, and the latest unaudited consolidated financial statements of our Company for the six (6)-month period ended 30 September 2019;
- (iii) letters of consent referred to in Section 2 of this Appendix;
- (iv) relevant cause papers in relation to the material litigation referred to in Section 4 of this Appendix; and
- (v) Deed Poll.

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PLS PLANTATIONS BERHAD

Registration No. 198701001365 (160032-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of PLS Plantations Berhad (“**PLS**” or “**Company**”) will be held at Oriental Star, 2nd Floor, EkoCheras Mall, No. 693, Batu 5, Jalan Cheras, 56000 Kuala Lumpur on Thursday, 13 February 2020 at 11.00 a.m. or any adjournment thereof for the purpose of considering and if deemed fit, passing with or without any modification, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ISSUE OF 175,350,000 NEW FREE WARRANTS (“WARRANTS”) IN PLS ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) ORDINARY SHARES IN PLS (“PLS SHARES”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“WARRANTS ENTITLEMENT DATE”) (“PROPOSED WARRANTS ISSUE”)

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained for the Proposed Warrants Issue, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) for the following:

- (a) to issue 175,350,000 Warrants on the basis of one (1) Warrant for every two (2) PLS Shares held by the shareholders of PLS whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Warrants Entitlement Date in accordance with the provisions of the deed poll constituting the Warrants to be executed by PLS (“**Deed Poll**”);
- (b) to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments from time to time, in accordance with and subject to the terms of the Deed Poll and in any manner as may be required by the relevant authorities or deemed necessary by the Board, and with full powers to implement and give effect to the terms and conditions of the Deed Poll and in the best interest of the Company;
- (c) to create and issue the Warrants and such additional Warrants as may be required or permitted to be issued as a consequence of the adjustments based on the salient terms of the Warrants as set out in the circular to the shareholders of PLS dated 22 January 2020 (“**Circular**”) and the terms and conditions of the Deed Poll;
- (d) to disregard and deal with fractional entitlements, if any, that may arise from the Proposed Warrants Issue in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company;
- (e) to allot and issue such number of PLS Shares credited as fully paid-up arising from the exercise of the Warrants during the exercise period of the Warrants in accordance with the terms of the Deed Poll (“**Exercised Shares**”); and
- (f) to use the proceeds that may be raised by the Company from the exercise of the Warrants for such purpose and in the manner as set out in Section 3.1 of the Circular and the Board be authorised to revise the purpose and manner of the use of proceeds as it may deem fit or expedient, and in the best interest of the Company, subject (where required) to the approval of the relevant authorities and/or shareholders of PLS in a general meeting.

THAT the Exercised Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PLS Shares except that the Exercised Shares will not be entitled to any dividend, right, allotment and/or other distributions that may be declared, made or paid to the shareholders of PLS, the entitlement date of which is prior to the date of allotment of the Exercised Shares.

AND THAT the Board be and is hereby empowered and authorised to do all such acts, deeds and things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or arrangements (including without limitation, the affixing of the Company's common seal) as the Board may deem necessary, expedient and/or appropriate to implement, to finalise, to give full effect to and to complete the Proposed Warrants Issue, with full powers to assent to and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Directors of the Company may in their absolute discretion deem fit, necessary and/or expedient in the best interest of the Company and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Warrants Issue."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,052,100,000 NEW REDEEMABLE PREFERENCE SHARES IN PLS ("RPS") AT AN ISSUE PRICE OF RM1.00 PER RPS ON THE BASIS OF TWO (2) RPS FOR EVERY ONE (1) PLS SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("RIGHTS ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE")

"THAT subject to the passing of the Special Resolution and the relevant approvals being obtained from the relevant authorities and/or parties (where applicable) for the Proposed Rights Issue, approval be and is hereby given to the Board for the following:

- (a) to allot (provisionally or otherwise) and issue by way of a renounceable rights issue of up to 1,052,100,000 new RPS on the basis of two (2) RPS for every one (1) PLS Share held by the shareholders of PLS whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Rights Entitlement Date ("**Rights Entitled Shareholders**") at an issue price of RM1.00 per RPS;
- (b) to disregard and deal with fractional entitlements, if any, that may arise from the Proposed Rights Issue in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company;
- (c) to make available for excess application by the other Rights Entitled Shareholders and/or their renouncee(s), and to allocate the excess RPS in a fair and equitable manner on a basis to be determined by the Board; and
- (d) to use the proceeds from the Proposed Rights Issue for such purpose and in the manner as set out in Section 3.2 of the Circular and the Board be authorised to revise the purpose and manner of the use of proceeds as it may deem fit or expedient, and in the best interest of the Company, subject (where required) to the approval of the relevant authorities and/or shareholders of PLS in a general meeting.

THAT the RPS shall:

- (i) rank equally amongst themselves, and will rank in priority to any other unsecured securities or PLS Shares in the event of liquidation, dissolution or winding up; and
- (ii) constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and will, upon allotment and issuance, rank equally without any preference or priority among themselves and in priority to other redeemable preference shares that may be created in the future, but shall rank behind all secured obligations of the Company.

AND THAT the Board be and is hereby empowered and authorised to do all such acts, deeds and things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or arrangements (including without limitation, the affixing of the Company's common seal) as the Board may deem necessary, expedient and/or appropriate to implement, to finalise, to give full effect to and to complete the Proposed Rights Issue, with full powers to assent to and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Directors of the Company may in their absolute discretion deem fit, necessary and/or expedient in the best interest of the Company and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Rights Issue."

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF PLS ("PROPOSED AMENDMENTS")

"THAT subject to the passing of Ordinary Resolution 2 and the relevant approvals being obtained from the relevant authorities and/or parties (where applicable) for the Proposed Amendments, the Proposed Amendments as set out in Appendix III of the Circular be hereby approved and adopted.

AND THAT the Board be and is hereby empowered and authorised to do all such acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents and/or arrangements (including without limitation, the affixing of the Company's common seal) as the Board may deem necessary, expedient and/or appropriate to implement, to finalise, to give full effect to the Proposed Amendments, with full powers to assent to and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Directors of the Company may in their absolute discretion deem fit, necessary and/or expedient in the best interest of the Company and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Amendments."

BY ORDER OF THE BOARD

LIM THIAM WAH, ACIS
CHUA HOON PING, ACIS
Joint Secretaries

Petaling Jaya, Selangor Darul Ehsan
22 January 2020

Notes:

1. For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 6 February 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at an EGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
8. The appointment of a proxy may be made in a hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote or in case of poll, not less than twenty-four (24) hours before the time appointed for taking the poll.
9. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions set out in this Notice of EGM will be put to vote on a poll.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit No. 9-01, Level 9, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote or in case of poll not less than twenty-four (24) hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging this proxy form is Tuesday, 11 February 2020 at 11.00 a.m.
13. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysia); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
14. For a corporate member who has appointed a representative instead of a proxy to attend this EGM, please bring the ORIGINAL certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.



PLS PLANTATIONS BERHAD

Registration No. 198701001365 (160032-K)
Incorporated in Malaysia

CDS Account No.

No. of shares held

PROXY FORM

I/We _____ NRIC/Company No./Passport _____
(Full name in block.)

of _____

being member(s) of PLS Plantations Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held on **Thursday, 13 February 2020 at 11.00 a.m. at Oriental Star, 2nd Floor, EkoCheras Mall, No. 693, Batu 5, Jalan Cheras, 56000 Kuala Lumpur** or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
PROPOSED WARRANTS ISSUE	ORDINARY RESOLUTION 1		
PROPOSED RIGHTS ISSUE	ORDINARY RESOLUTION 2		
PROPOSED AMENDMENTS	SPECIAL RESOLUTION		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*
Member



*** Manner of execution:**

- (a) *If you are an individual member, please sign where indicated.*
- (b) *If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.*
- (c) *If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:*
 - (i) *at least two (2) authorised officers, of whom one shall be a director; or*
 - (ii) *any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

Notes:

1. *For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 6 February 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member entitled to attend and vote at this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at an EGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.*
4. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
6. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote or in case of poll, not less than twenty-four (24) hours before the time appointed for taking the poll.*
9. *Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions set out in this Notice of EGM will be put to vote on a poll.*
10. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit No. 9-01, Level 9, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the appointment proposes to vote or in case of poll not less than twenty-four (24) hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
11. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
12. *Last date and time for lodging this proxy form is Tuesday, 11 February 2020 at 11.00 a.m.*
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 - a. *Identity card (NRIC) (Malaysia); or*
 - b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or*
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14. *For a corporate member who has appointed a representative instead of a proxy to attend this EGM, please bring the ORIGINAL certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARIES
PLS PLANTATIONS BERHAD

Registration No. 198701001365 (160032-K)

Unit No. 9-01, Level 9, Menara TSR
No. 12, Jalan PJU 7/3, Mutiara Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan.

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