

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your PWI Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF has also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

The approval from our shareholders for the Rights Issue was obtained at our EGM held on 22 May 2018. The approval from Bursa Securities has also been obtained vide its letter dated 2 May 2018 for the listing of and quotation for the Rights Shares and the Bonus Shares on the Main Market of Bursa Securities. Admission to the Official List of the Main Market of Bursa Securities and quotation of the Rights Shares and the Bonus Shares to be issued on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. The listing of and quotation for the Rights Shares and Bonus Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to the Rights Issue, including this Abridged Prospectus, together with the NPA and the RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus together with the NPA and the RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on Friday, 20 July 2018. This Abridged Prospectus together with the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Entitled Shareholders and/ or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue, the application for Excess Rights Shares, or the subscription, offer, resale, pledge or other transfer of the Rights Shares would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHB Investment Bank nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) made by the Entitled Shareholders and/ or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions in which the said Entitled Shareholder and/ or their renounee(s)/transferee(s) (if applicable) is a resident.

RHB Investment Bank, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



PRICEWORTH INTERNATIONAL BERHAD

(Company No. 399292-V)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

RENOUNCEABLE RIGHTS ISSUE OF 2,047,461,262 NEW ORDINARY SHARES IN PRICEWORTH INTERNATIONAL BERHAD ("PWI") ("PWI SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.05 PER RIGHTS SHARE, TOGETHER WITH A BONUS ISSUE OF 1,023,730,631 NEW PWI SHARES ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING PWI SHARE HELD, AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR, AS AT 5.00 P.M. ON FRIDAY, 20 JULY 2018

Principal Adviser, Joint Managing Underwriter and Joint Underwriter



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Managing Underwriters & Joint Underwriters

Joint Underwriters



AmInvestment Bank

AmInvestment Bank Berhad

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



Mercury Securities Sdn Bhd

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



MIDF Amanah Investment Bank Berhad

(Company No. 23878-X)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Kenanga

Kenanga Investment Bank Berhad

(Company No. 15678-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Friday, 20 July 2018 at 5.00 p.m.
Last date and time for	
Sale of Provisional Allotment	: Friday, 27 July 2018 at 5.00 p.m.
Transfer of Provisional Allotment	: Wednesday, 1 August 2018 at 4 .00 p.m.
Acceptance and Payment for the Provisional Allotment	: Monday, 6 August 2018 at 5.00 p.m.
Excess Application and Payment for the Excess Rights Shares	: Monday, 6 August 2018 at 5.00 p.m.

This Abridged Prospectus is dated 20 July 2018

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, SUCH AS OUR DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RIGHTS ISSUE BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE RIGHTS ISSUE IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND THE RSF HAS BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

Abridged Prospectus	:	This Abridged Prospectus dated 20 July 2018
Act	:	Companies Act, 2016 including any amendments thereto from time to time
ADSB	:	Anika Desiran Sdn Bhd, a 99.99%-owned subsidiary of Rumpun
AmlInvestment Bank	:	AmlInvestment Bank Berhad
ATM	:	Automated teller machine
Bank Rakyat	:	Bank Kerjasama Rakyat Malaysia Berhad
Board	:	Board of Directors of PWI
Bonus Share(s)	:	Bonus Issue of 1,023,730,631 new PWI Shares to be issued together with the Rights Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System
CDS Account(s)	:	The securities account(s) established by Bursa Depository for depositor(s) pursuant to the Securities Industry (Central Depository) Act, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor(s)
CMSA	:	Capital Markets and Services Act, 2007 including any amendments thereto from time to time
Code	:	The Malaysian Code on Take-Overs 2016 and the rules on Take-Overs, Mergers and Compulsory Acquisition including any amendments thereto from time to time
Constitution	:	Constitution of our Company
Director(s)	:	The director(s) of PWI and shall have the meaning given in Section 2(1) of the CMSA
EGM	:	Extraordinary general meeting
Electronic Application	:	Application for the Rights Shares and/ or Excess Rights Shares through the ATM's of Participating Financial Institutions
Entitled Shareholder(s)	:	The shareholders of PWI who are registered as a member and whose names appear in the Record of Depositors of our Company on the Entitlement Date
Entitlement Date	:	At 5.00 p.m. on Friday, 20 July 2018, being the time and date on which names of the Entitled Shareholders of PWI appear in our Record of Depositors provided by Bursa Depository in order to participate in the Rights Issue

DEFINITIONS (CONT'D)

EPS	:	Earnings per Share
Excess Rights Application	:	Application(s) for Excess Rights Shares as set out in Section 10.8 of this Abridged Prospectus
Excess Rights Shares	:	Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s)/transferee(s) (if applicable) prior to excess application pursuant to the Rights Issue
Foreign Entitled Shareholder(s)	:	Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue
FMU5 or Licensed Area	:	Forest reserve area comprising 101,161 hectares in Trus Madi, Sabah known as Forest Management Unit 5 of which approximately 12,241 hectares will be surrendered back to the State Government of Sabah
FPE	:	Financial period ended
FYE	:	Financial year ended
GSR or Purchaser	:	GSR Pte Ltd, our wholly owned subsidiary
Internet Application	:	Application for the Rights Shares and/ or Excess Rights Shares within Malaysia through an Internet Participating Financial Institutions
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Applications referred to in Section 10.4.3 of this Abridged Prospectus
ITP	:	Industrial Tree Plantation
Joint Managing Underwriters	:	Collectively, RHB Investment Bank, Mercury Securities and AmInvestment Bank of which have been appointed pursuant to the Underwriting Agreement
Joint Underwriters	:	Collectively, RHB Investment Bank, Mercury Securities, AmInvestment Bank, MIDF Investment Bank and Kenanga Investment Bank of which have been appointed pursuant to the Underwriting Agreement
Kenanga Investment Bank	:	Kenanga Investment Bank Berhad
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Log Extraction and Timber Sale Agreement	:	Log extraction and timber sale agreement dated 19 October 2016 entered into between SSB and ADSB to allow SSB to extract and remove at SSB's own cost, all commercial logs and/or merchantable timber within the areas identified in the coupe permits as Compartment 57 (733.6 hectares) and Compartment 58 (1,026.2 hectares) within the ITP area with a combined area of 1,759.8 hectares and such other areas covered under any other new coupe permits issued for other compartments within the Licensed Area from the date of the relevant coupe permits whereby SSB shall pay a sum of RM5.00 per cubic metre excluding the log extraction charges, royalty, premium, cess and any other statutory charges to the Sabah Forestry Department for the logs to be extracted from the area.
LAT	:	Loss after taxation
LPD	:	22 June 2018, being the latest practicable date prior to the date of this Abridged Prospectus

DEFINITIONS (CONT'D)

LPS	: Loss per Share
M&A	: Memorandum and Articles of Association
Maha Gayabina	: Maha Gayabina Sdn Bhd, a substantial shareholder of PWI
Market Day(s)	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
Mercury Securities	: Mercury Securities Sdn Bhd
MIDF Investment Bank	: MIDF Amanah Investment Bank Berhad
NA	: Net assets
NPA	: Notice of provisional allotment of the Rights Shares pursuant to the Rights Issue
PAT	: Profit after taxation
Participating Financial Institutions	: Participating financial institutions for Electronic Applications referred to in Section 10.4.2 of this Abridged Prospectus
Parties	: Parties to the SPA, namely GSR and Transkripsi
Placement Shares	: 93,060,000 new PWI Shares which was issued pursuant to the Private Placement
Private Placement	: Private placement of 93,060,000 new PWI Shares, representing up to 10% of the existing issued share capital of PWI, which was completed on 6 February 2018
Proposed Acquisition	: The proposed acquisition of the entire issued and paid up share capital of Rumpun by GSR, our wholly owned subsidiary, from Transkripsi for the purchase consideration of RM260,000,000
Proposed Listing or Public Listing	: Proposed listing of GSR on the SGX to partly fund the Proposed Acquisition
Provisional Allotment	: Rights Shares provisionally allotted to the Entitled Shareholders and/ or their renounee(s)/transferee(s) (if applicable), together with the attached Bonus Shares pursuant to the Rights Issue
Puan Sri	: Puan Sri Emilahani Yang binti Mohd Yatim, a substantial shareholder of PWI
PWI or Company	: Priceworth International Berhad
PWI Group or Group	: PWI and our subsidiaries, collectively
PWI Share(s) or Share(s)	: Ordinary share(s) of our Company
Record of Depositors	: A record of securities holders established by Bursa Depository under Chapter 24.0 of the Rules of Bursa Depository including any amendments thereof issued by Bursa Depository

DEFINITIONS (CONT'D)

RHB Investment Bank	:	RHB Investment Bank Berhad
Rights Issue	:	Renounceable rights issue of 2,047,461,262 new PWI Shares at an issue price of RM0.05 per Rights Share, together with a bonus issue of 1,023,730,631 new PWI Shares to be credited as fully paid-up, on the basis of two (2) Rights Shares for every one (1) existing PWI Shares held, and one (1) Bonus Share for every two (2) Rights Shares subscribed for on the Entitlement Date
Rights Share(s)	:	2,047,461,262 new PWI Share(s) to be issued pursuant to the Rights Issue
RSF	:	Rights Subscription Form
Rumpun	:	Rumpun Capaian Sdn Bhd, a wholly-owned subsidiary company of Transkripsi
Rumpun Group	:	Rumpun and its subsidiary, ADSB
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 including any amendments thereto that may be made from time to time
Sale Shares	:	All 25,000,000 ordinary issued shares in Rumpun
SC	:	Securities Commission Malaysia
SFMLA	:	Sustainable Forest Management License Agreement dated 10 September 1997
SGX	:	Singapore Exchange Securities Trading Limited
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SPA	:	Sale and purchase of shares agreement dated 19 October 2016 in relation to the Proposed Acquisition
Special Issue	:	Special issue of 211,871,030 new PWI Shares at an issue price of RM0.10 per PWI Share to the Subscribers to be satisfied by cash, which was completed on 1 June 2017
SSB	:	Sinora Sdn Bhd, our wholly-owned subsidiary
Subscribers	:	Tan Sri, Puan Sri and Maha Gayabina
Subscription Agreement	:	Conditional subscription agreement dated 7 March 2017 entered into between PWI and the Subscribers in relation to the Special Issue
Tan Sri	:	Tan Sri Abdul Rashid Hussain, a substantial shareholder of PWI
Transkripsi or Vendor	:	Transkripsi Pintar Sdn Bhd
Undertaking Shareholder(s)	:	The shareholders of PWI who have provided their respective Undertakings, namely Lim Nyuk Foh, Tan Sri, Puan Sri and Maha Gayabina

DEFINITIONS (CONT'D)

Undertaking(s)	:	Irrevocable undertaking(s) from the Undertaking Shareholder(s) who have undertaken to subscribe in full for its/ their respective entitlements of the Rights Shares based on its/ their shareholdings as at the Entitlement Date
Underwriting Agreement	:	Underwriting agreement dated 18 May 2018 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters in relation to the Rights Issue as supplemented by the supplemental agreement dated 18 May 2018.
VWAP	:	Volume weighted average market price
3 rd FMP	:	Third Forest Management Plan for FMU5 which was approved by Sabah Forestry Department on 17 October 2017 for the period commencing from 1 st September 2017 to 31 st August 2027

CURRENCIES

CFA Francs	:	West African CFA Francs
HKD	:	Hong Kong Dollar
PGK	:	Papua New Guinea Kina
RM and sen	:	Ringgit Malaysia and sen, respectively
SBD	:	Solomon Islands Dollar
SGD	:	Singapore Dollar
USD	:	United States of Dollar

All references to "**our Company**" and "**PWI**" in this Abridged Prospectus are made to Priceworth International Berhad (399292-V) and references to "**our Group**" are made to our Company and our subsidiary companies. All references to "**we**", "**us**", "**our**" and "**ourselves**" are made to the Company, or where the context requires, our Group or any of our subsidiary companies. All references to "**you**" in this Abridged Prospectus are made to our Entitled Shareholders and/ or, where the context otherwise requires, their renounee(s)/transferee(s) (if applicable).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward- looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Profession
Dr Roslan bin A. Ghaffar <i>(Independent Non-Executive Chairman)</i>	156-0-05, Villa Flora, Jalan Burhanuddin Helmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Malaysian	Company Director
Lim Nyuk Foh <i>(Managing Director)</i>	Utama Court, Ground Floor, Lot 2 Block C1, Mile 6, North Road 90000 Sandakan, Sabah	Malaysian	Company Director
Koo Jenn Man <i>(Executive Director)</i>	Kg Talang Taun, Putatan 88200 Penampang Kota Kinabalu, Sabah	Malaysian	Company Director and Group Accountant
Kwan Tack Chiong <i>(Independent Non-Executive Director)</i>	No. 29, Jalan Enak Satu, Off Jalan Kuchai Lama, Taman Gembira, 58200 Kuala Lumpur	Malaysian	Company Director and entrepreneur
Ooi Jit Huat <i>(Independent Non-Executive Director)</i>	17, Jalan Jemerlang, Country Heights Damansara 60000 Kuala Lumpur	Malaysian	Company Director and entrepreneur

AUDIT COMMITTEE

Name	Designation	Directorship
Mr Kwan Tack Chiong	Chairman	Independent Non-Executive Director
Mr Ooi Jit Huat	Member	Independent Non-Executive Director
Dr Roslan bin A. Ghaffar	Member	Independent Non-Executive Chairman

COMPANY SECRETARIES

: Tan Tong Lang (MAICSA 7045482)
Thien Lee Mee (LS0009760)

Suite 10.03, Level 10, The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra.
59200 Kuala Lumpur

Tel. No.: (603) 2279 3080
Fax. No.: (603) 2279 3090

REGISTERED OFFICE AND HEAD/MANAGEMENT OFFICE

: 1st Floor, Lot 5, Block No. 4
Bandar Indah, Mile 4
Jalan Utara, P.O. Box 2848
90732 Sandakan, Sabah

Tel. No.: (6089) 221 170/ 223 767/ 221 211
Fax. No.: (6089) 221 213/ 227 823
Email: pworth@pwibhmalaysia.com.my
Website: www.pwibhmalaysia.com.my

CORPORATE DIRECTORY (CONT'D)

AUDITORS AND REPORTING ACCOUNTANTS	:	PKF Lot 23-1 & 25-1 1st Floor, Lintas Plaza Lorong Lintas Plaza 88300 Kota Kinabalu Sabah Tel. No.: (088) 266 723 Fax. No.: (088) 267 721
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel. No.: (603) 7849 0777 Fax. No.: (603) 7841 8151
SOLICITOR FOR THE RIGHTS ISSUE	:	Tay & Partners 6th Floor, Plaza See Hoy Chan Jalan Raja Chulan 50200 Kuala Lumpur, Malaysia Tel. No.: (603) 2050 1888 Fax. No.: (603) 2031 8618
JOINT MANAGING UNDERWRITERS	:	RHB Investment Bank Berhad Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: (603) 9287 3888 Fax. No.: (603) 9287 4770 Mercury Securities Sdn Bhd L-7-2, No.2, Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel. No.: (603) 6203 7227 Fax. No.: (603) 6203 7117 AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur. Tel. No.: (603) 2036 2683 Fax. No.: (603) 2032 4263

CORPORATE DIRECTORY (CONT'D)

JOINT UNDERWRITERS

: RHB Investment Bank Berhad
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel. No.: (603) 9287 3888
Fax. No.: (603) 9287 4770

Mercury Securities Sdn Bhd
L-7-2, No.2, Jalan Solaris
Solaris Mont Kiara
50480 Kuala Lumpur

Tel. No.: (603) 6203 7227
Fax. No.: (603) 6203 7117

AmInvestment Bank Berhad
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur.

Tel. No.: (603) 2036 2683
Fax. No.: (603) 2032 4263

MIDF Amanah Investment Bank Berhad
Menara Midf, F10
Jalan Raja Chulan,
50200 Kuala Lumpur

Tel. No.: (603) 2772 1665
Fax. No.: (603) 2173 8737

Kenanga Investment Bank Berhad
Level 17, Kenanga Tower,
237, Jalan Tun Razak,
50400 Kuala Lumpur

Tel. No.: (603) 2172 2888
Fax. No.: (603) 2172 2734

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL BANKERS

: RHB Bank Berhad
Tower 2 & 3, RHB Centre
Jalan Tun Razak
50450 Kuala Lumpur

Tel. No.: (603) 9287 8888
Fax. No.: (603) 9287 9000

AmBank (M) Berhad
Level 24, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

Tel. No.: (603) 2036 2425
Fax. No.: (603) 2072 8439

AmBank Islamic Berhad
Level 6, Wisma Fook Loi
38, Jalan Gaya
88000 Kota Kinabalu
Sabah

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**STOCK EXCHANGE LISTED AND
LISTING SOUGHT**

: Main Market of Bursa Securities



PRICEWORTH INTERNATIONAL BERHAD
(Company No. 399292-V)
(Incorporated in Malaysia)

Registered Office

1st Floor, Lot 5, Block No.4
Bandar Indah, Mile 4
Jalan Utara, 90000, Sandakan
Sabah, Malaysia

20 July 2018

Board of Directors

Dr Roslan bin A. Ghaffar (*Independent Non-Executive Chairman*)
Lim Nyuk Foh (*Managing Director*)
Koo Jenn Man (*Executive Director*)
Kwan Tack Chiong (*Independent Non-Executive Director*)
Ooi Jit Huat (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF 2,047,461,262 RIGHTS SHARE(S) AT AN ISSUE PRICE OF RM0.05 PER RIGHTS SHARE, TOGETHER WITH A BONUS ISSUE OF 1,023,730,631 NEW PWI SHARES TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING PWI SHARE HELD, AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR, AS AT 5.00 P.M. ON FRIDAY, 20 JULY 2018

1. INTRODUCTION

On 19 October 2016, RHB Investment Bank had, on behalf of our Board, announced that our Company proposed to undertake, amongst others, the Rights Issue.

On 6 March 2018, RHB Investment Bank had, on behalf of the board, announced that the proposed renounceable two-call rights issue will be revised to a one-call rights issue pursuant to the abolition of the par value under the Act.

On 3 May 2018, RHB Investment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 2 May 2018 approved the following:

- (a) listing of 2,047,461,262 Rights Shares to be issued pursuant to the Rights Issue; and
- (b) listing of 1,023,730,631 Bonus Shares to be issued pursuant to the Rights Issue;

on the main market of Bursa Securities subject to the conditions set out below:

Conditions Imposed	Status of Compliance
a) PWI and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Rights Issue;	Noted
b) PWI and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue;	To be complied
c) PWI to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed;	To be complied
d) PWI to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at extraordinary general meeting for the Rights Issue; and	Complied
e) PWI and RHB Investment Bank are required to make the relevant announcements pursuant to Paragraph 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements	To be complied

On 22 May 2018, the Board announced that the shareholders of our Company had, at the EGM held on even date, approved, amongst others, the Rights Issue. A certified true extract of the ordinary resolution approving the Rights Issue which was passed at the EGM, is attached as **Appendix I** of this Abridged Prospectus.

On 6 July 2018, RHB Investment Bank had, on behalf of our Board, announced that the Entitlement Date has been fixed on the close of business at 5:00 P.M. on 20 July 2018 along with the other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus, the NPA and the RSF in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Rights Issue

The Rights Issue entails the issuance of 2,047,461,262 Rights Shares at an issue price of RM0.05, together with a bonus issue of 1,023,730,631 Bonus Shares to be credited as fully paid-up, on the basis of two (2) Rights Shares for every one (1) existing PWI Shares held, and one (1) Bonus Share for every two (2) Rights Shares subscribed for on the Entitlement Date.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. Only Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Bonus Shares. The Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue will simultaneously relinquish their corresponding entitlements to the Bonus Shares in the proportion of their renunciation of their entitlement to the Rights Shares. The Rights Shares and Bonus Shares are not separately renounceable.

The Rights Shares which are not taken up or not validly taken up shall be made available for excess applications by the other Entitled Shareholders and/or their renounee(s)/transferee(s). It is the intention of the Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner, and on such basis as set out in **Section 10.8** of this Abridged Prospectus.

In determining the entitlement of the Entitled Shareholders, fractional entitlements, if any, shall be disregarded and/ or dealt with in such manner as our Board in its absolute discretion deems fit and expedient, and to be in the best interest of our Company.

As you are the Entitled Shareholder, your CDS Accounts will be duly credited with the number of rights to Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment as well as to apply for the Excess Rights Shares if you choose to do so.

Any dealings in our securities will be subject to, *inter-alia* the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares and Bonus Shares will be credited directly into the respective CDS Accounts of the successful applicants. No physical share certificates will be issued but notices of allotment will be despatched to the successful applicants.

We will allot and issue the Rights Shares, despatch notices of allotment to the successful applicants within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares.

2.2 Basis of determining and justification for the issue price of the Rights Shares

The issue price of RM0.05 per Rights Share was determined by our Board after taking into consideration, *inter-alia*, the then par value of PWI Shares as at 18 October 2016, the adequacy of reserves for capitalisation, the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus, the prevailing market conditions and market price of PWI Shares as well as the theoretical ex-all price ("TEAP") of PWI Shares of RM0.053, based on the 5-day VWAP of PWI Shares of RM0.1109 up to and including 18 October 2016 (being the last trading day immediately prior to the announcement of the Rights Issue).

The issue price of RM0.05 per Rights Share represents a discount of approximately RM0.0360 or 42% from the TEAP of PWI Shares of RM0.0860, based on the 5-day VWAP of PWI Shares of RM0.2447 up to and including LPD.

A summary of the above is as tabled below:

Issue Price	5-Day VWAP	TEAP	Discount over TEAP	
			RM	%
0.05	⁽¹⁾ 0.1109	0.0530	(0.0030)	(6%)
0.05	⁽²⁾ 0.2447	0.0860	(0.0360)	(42%)

Notes:

- (1) As at 18 October 2016, being the last trading day immediately prior to the announcement of the Rights Issue.
- (2) As at the LPD

2.3 Ranking of the Rights Shares and Bonus Shares

The Rights Shares and Bonus Shares will, upon allotment and issuance, be of the same class and rank *pari passu* in all respects with the then existing PWI Shares, save and except that the holders of the Rights Shares and Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid, for which the entitlement date precedes the date of allotment of the said shares.

2.4 Capitalisation of reserves for the Bonus Shares

The Bonus Shares shall be wholly capitalised from the capital redemption reserve and share premium of our Company immediately after the Rights Issue. Details of the capitalisation for the Bonus Shares, based on our Company's latest audited consolidated financial statements for FYE 30 June 2017 are as follows:

Company level	Share premium (Part of share capital) ⁽¹⁾	Capital redemption reserve	Total
	RM '000	RM '000	RM '000
Audited as at 30 June 2017	75,927	74,511	150,438
Less:			
Amount to be capitalised for the Bonus Shares ⁽²⁾	(27,862)	(74,511)	(102,373)
After the Rights Issue	48,065	-	48,065

Details of the capitalisation for the Bonus Shares, based on our Company's latest unaudited interim financial statements for the nine (9) months FPE 31 March 2018 are as follows:

Company level	Share premium (Part of share capital) ⁽¹⁾	Capital redemption reserve	Total
	RM '000	RM '000	RM '000
Unaudited as at 31 March 2018	75,927	74,511	150,438
Less:			
Amount to be capitalised for Bonus Shares ⁽²⁾	(27,862)	(74,511)	(102,373)
After the Rights Issue	48,065	-	48,065

Notes:

- (1) Pursuant to the transitional provision under the Act, the sum of RM75,927,000 standing to the credit of the share premium account has been reclassified and become part of the share capital as reflected in the unaudited financial statement for the nine (9) months FPE 31 March 2018. However, such amount may within 24 months from 31 January 2017 be utilised in the manner as allowed under the Act.
- (2) Issuance of 1,023,730,631 Bonus Shares of RM0.10 per share which was based on our par value prior to the abolition of the par value under the Act.

Our Board confirms that the bonus issue and the use of our Company's share premium and capital redemption reserve for the purpose of the bonus issue is and will be in full compliance with Sections 618(3) & (4) of the Act applied in accordance with Practice Note No. 1/2017 dated 8 February 2017 issued by Companies Commission of Malaysia.

Our Board also confirms that based on our Company's latest audited financial statements for the FYE 30 June 2017 and latest unaudited interim financial statements for the nine (9) months FPE 31 March 2018:

- (a) the reserves available for capitalising the Bonus Shares are unimpaired by losses on a consolidated basis and are adequate to cover the entire capitalisation for the Bonus Shares; and
- (b) our Company has sufficient reserves in the share premium and capital redemption reserves to cover the capitalisation of the Bonus Shares.

Further, PKF, the Reporting Accountants for our Company has given its confirmation on the adequacy of reserves in our share premium and capital redemption reserve accounts for the capitalisation of the Bonus Shares vide its letter dated 4 July 2018. A copy of the letter is enclosed in **Appendix VI** of this Abridged Prospectus.

2.5 Details of other corporate exercises

Our Board confirms that as at the LPD, save for the Rights Issue (as detailed in **Section 2.1** above), and the Proposed Acquisition as disclosed below, there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but have yet to be completed as at the LPD.

Proposed Acquisition

On 19 October 2016, RHB Investment Bank had, on behalf of our Board, announced that our Company had entered into the SPA with Transkripsi for the proposed acquisition of the entire issued and paid up share capital of Rumpun for a purchase consideration of RM260,000,000 ("**Purchase Consideration**") upon such terms and conditions as stipulated in the SPA. As at LPD, a total of RM23,000,000 in cash has been paid to the Vendor.

The balance of the Purchase Consideration is to be settled in one of the following manners:

- (a) Cash in its entirety, by our Company exercising the cash option on or before 31 July 2018 in which the Purchase Consideration will be discounted to RM235,000,000 ("**Cash Option**");
- (b) Combination of shares in GSR (provided GSR is successfully listed on SGX ("**Proposed Listing**")) and proceeds raised from the said listing exercise; or
- (c) Cash by way of three part-payments in the event our company does not complete the Proposed Listing.

Rumpun is the holding company of ADSB which has been awarded a 100-year concession on 10 September 1997 to carry out harvesting, forest management and rehabilitation, and industrial tree planting under the principles of sustainable forest management and environmental conservation for economic, environmental and social purposes within FMU5. Upon the completion of the SPA, ADSB and Rumpun will form part of our Group.

Concurrent with the execution of the SPA, ADSB has entered into the Log Extraction and Timber Sale Agreement with SSB, our wholly owned subsidiary company, to appoint SSB as the timber extractor and exclusive purchaser of the timbers extracted from the Compartments 57 and 58 within the ITP of FMU5.

As at the LPD, the conditions precedent pursuant to the SPA has been fulfilled. The period to exercise the Cash Option has been further extended to 31 July 2018.

As mentioned above and pursuant to the terms of the SPA, GSR shall take the necessary steps to submit an application to the SGX for the Proposed Listing and the proceeds raised therefrom shall be utilised to partly fund the Proposed Acquisition. As at LPD, our Board and management team are currently evaluating the merits of the Proposed Listing in greater detail. An application to the SGX in relation to the Proposed Listing shall be made upon our Board being satisfied of the outcome of the evaluation.

Barring any unforeseen delay and circumstances, an application to the SGX in relation to the Proposed Listing is expected to be made in the fourth quarter of 2018. Further details of the Proposed Listing will be announced at a later date once the structure of the Proposed Listing has been finalised.

3. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

3.1 Shareholders' Undertakings

The Rights Issue is intended to be undertaken on full subscription basis after taking into consideration the level of funds that our Company wishes to raise from the Rights Issue which will be channelled towards the utilisation of proceeds as set out in **Section 5** of this Abridged Prospectus.

The Undertaking Shareholders have provided their respective Undertakings to subscribe for their respective entitlements of the Rights Shares under the Rights Issue. The details of the Undertakings are as follows:

Undertaking Shareholders	Shareholdings as at LPD		Entitlement undertakings		Excess Application		Shareholdings after the Rights Issue		
	No. of PWI Shares	(%)	No. of PWI Shares	(%)	No. of PWI Shares	(%)	Bonus Share ⁽¹⁾	No. of PWI Shares	(%)
Lim Nyuk Foh	79,880,911	7.80	159,761,822	7.80	25,125,664	1.23	⁽²⁾ 92,443,743	⁽³⁾ 357,212,140	8.72
Tan Sri	60,199,153	5.88	120,398,306	5.88	-	-	60,199,153	240,796,612	5.88
Puan Sri	25,424,524	2.48	50,849,048	2.48	-	-	25,424,524	101,698,096	2.48
Maha Gayabina	141,247,353	13.80	282,494,706	13.80	-	-	141,247,353	564,989,412	13.8
Total	306,751,941	29.96	613,503,882	29.96	25,125,664	1.23	319,314,773	1,264,696,260	30.88

Notes:

- (1) Bonus Shares to be issued pursuant to the Rights Issue
- (2) Inclusive of the Excess Application
- (3) Assuming all his Excess Rights Shares applied for are granted

The Undertaking Shareholders have each confirmed that they have sufficient financial resources to fulfil the Undertakings. RHB Investment Bank has verified that the Undertaking Shareholders have sufficient financial resources to take up the number of Rights Shares as specified in their respective Undertakings.

In view of the above Undertakings and underwriting arrangement made by our Company as disclosed in **Section 3.2** of this Abridged Prospectus, there will not be any implication under the Code as well as on the public shareholding spread of our Company in the event that the Entitled Shareholders other than Undertaking Shareholders do not subscribe for their respective entitlements under the Rights Issue.

3.2 Underwriting arrangement

On 18 May 2018, our Company entered into the Underwriting Agreement with RHB Investment Bank, Mercury Securities, AmInvestment Bank, MIDF Investment Bank and Kenanga Investment Bank (collectively referred to as Joint Underwriters) whereby the Joint Underwriters will underwrite the remaining portion of the Rights Shares for which no undertaking to subscribe has been obtained by our Company. The Joint Underwriters will underwrite up to an aggregate of 1,408,831,716 Rights Shares, representing approximately 68.81% of the total Rights Shares to be issued pursuant to the Rights Issue, at the managing underwriting fee of 0.47% (inclusive of 6% GST, and GST portion shall be adjusted accordingly based on the current tax law) and underwriting commission of 3.71% (inclusive of 6% GST, and GST portion shall be adjusted accordingly based on the current tax law) of the total value of the underwritten shares, respectively, as set out below:

Party	Role	No. of Shares underwritten	%	Managing Underwriting Fee (inclusive of 6% GST ⁽²⁾) (RM)	Underwriting Commission (inclusive of 6% GST ⁽²⁾) (RM)
RHB Investment Bank	Joint Managing Underwriter/ Joint Underwriter	20	(1)	110,656.20	0.04
Mercury Securities	Joint Managing Underwriter/ Joint Underwriter	588,831,696	41.80	-	1,092,282.80
AmInvestment Bank	Joint Managing Underwriter/ Joint Underwriter	300,000,000	21.29	221,312.40	556,500.00
MIDF Investment Bank Berhad	Joint Underwriter	200,000,000	14.20	-	371,000.00
Kenanga Investment Bank	Joint Underwriter	320,000,000	22.71	-	593,600.00
Total		1,408,831,716	100.00	331,968.60	2,613,382.84

Notes:

- (1) Negligible
(2) GST portion shall be adjusted accordingly based on the current tax law

The managing underwriting fee and underwriting commission will be fully borne by our Company from the proceeds of the Rights Issue.

4. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE

Our Board has taken into consideration various factors in determining the method of settlement of existing borrowings and working capital requirement for FMU5, including the impact on the public shareholding spread of our Company as well as the improvement in the shareholders' funds of our enlarged Group upon the issuance of new PWI shares from the Rights Issue.

After due consideration of the various methods of fund raising, our Board is of the view that the equity fund raising via the Rights Issue is the most appropriate method of fund raising for the following reasons:

- (a) our Group's financial position will be strengthened with enhanced shareholders' funds and reduced gearing level. These factors are expected to facilitate the continuous long-term growth and expansion plans of our Group;
- (b) our Company will be able to raise funds in a more cost-effective manner as opposed to borrowings. The funds raised will be used in the manner set out in **Section 5** of this Abridged Prospectus;
- (c) the issuance of new Rights Shares and Bonus Shares will increase the number of our shares in circulation and will improve the trading liquidity of our Company;
- (d) our Entitled Shareholders will be given an opportunity to participate in an equity offering in our Company on a pro-rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares;
- (e) the repayment of borrowings from the Rights Issue proceeds will reduce the finance cost of our Group. Nonetheless, our Board will continuously evaluate our Group's capital structure, which may include re-leveraging our Group based on better and more favourable financing term; and
- (f) the Rights Issue is designed with Bonus Shares attached to the Rights Shares to provide the Entitled Shareholders with added incentive to subscribe for the Rights Shares.

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5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.05 per Rights Share, the Rights Issue is expected to raise gross proceeds of approximately RM102.37 million.

The details of the utilisation of gross proceeds from the Rights Issue are as follows:

Purpose	Gross proceeds		Estimated utilisation timeframe from Completion
	RM'000	%	
Repayment of borrowings ⁽¹⁾	80,000	78.15	Within 1 month
Working capital for FMU5 ⁽²⁾	16,870	16.48	Within 6 months
Estimated expenses in relation to Rights Issue and Proposed Acquisition ⁽³⁾	5,500	5.37	Within 1 month
Total	102,370	100.00	

Notes:

- (1) The repayment of bank borrowings is in respect of the term loan granted by Bank Rakyat to our Group. The details of the aforesaid borrowings as well as the estimated interest cost savings per annum are as set out in the table below:

Financier	Outstanding amount as at LPD (RM'000)	Interest rate per annum as at the LPD	Maturity	Proposed repayment amount (RM'000)	Estimated interest savings per annum (RM'000)
Bank Rakyat	99,046	BFR ^(a) + 3.5%	End of March 2020	80,000	8,280
Total				80,000	8,280

Note:

- (a) Base Financing Rate

The purpose of the facility from Bank Rakyat is to fully redeem the commercial papers/medium term notes as well as for working capital of our Group. The issuance of the said commercial papers/medium term notes was for refinancing the earlier commercial papers issued for the construction of our factory and to finance the purchase of our machinery. Our Group expects to realise interest savings of approximately RM8.28 million per annum from the repayment of borrowings to Bank Rakyat, calculated based on the average interest rate of 10.35% per annum.

- (2) Part of the proceeds will be utilised to meet the working capital for FMU5 including, amongst others, building of new infrastructure within the FMU5 site and funding for the redeployment and installation of our existing machinery from our factory in Sandakan to FMU5 site. Detailed breakdown of the use of the utilisation is as follows:

Description	Estimated Expenses
	RM'000
PWI Group's working capital to build, repair and upgrade the infrastructure (comprising roads, bridges, culverts, base camp, accommodation facilities and log yard) within FMU5 to facilitate our harvesting activities ^(a)	12,870
Redeployment and installation of timber harvesting machineries and relocation of peelers from Sandakan to FMU5 ^(b)	4,000
Total	16,870

Notes:

- (a) The estimated expenses include building base camp, log yarding points, road and bridges, the breakdown of which is set out below:

	<u>RM'000</u>
Accommodation facilities	870
<u>Levelling, gravelling and clearing for setting up:</u>	
Base camp	5,000
Log yarding points	1,000
Sawmill and veneer mills	2,000
Nursery	1,000
Road, bridges and spiral culvert at Compartments 63 and 64	3,000
Total	<u>12,870</u>

- (b) The breakdown of the estimated expenses for redeployment and installation of existing machinery is set out below:

	<u>RM'000</u>
Genset room	130
Tractor workshop	245
Logging workshop	245
Container office and meeting room	55
Towing quarters	300
Towing container for spare parts	240
Towing diesel tank	150
Water tank	75
Diesel tank	40
Transportation for equipment	161
Infrastructure for redeployment and installation of machinery ^(a)	2,359
Total	<u>4,000</u>

Note:

- (a) Expenses for infrastructure include building factories and foundations to install the machines and equipment for processing of the logs harvested in the FMU5 and also comprehensive harvesting plan preparation.
- (3) The estimated expenses relating to the Rights Issue include professional fees, managing underwriter fee, underwriting commission, fees payable to relevant authorities, and other miscellaneous expenses. The breakdown of the estimated expenses in relation to the Rights Issue and Proposed Acquisition is as follows:

<u>Description</u>	<u>Estimated Expenses</u>
	<u>RM'000</u>
Rights Issue	
Professional fees (including fees for Principal Adviser, Reporting Accountants, Registrar and Solicitors) ^(a)	1,455
Underwriting fees	2,800
Fees to authorities ^(a)	150
Other related expenses ^(b)	100
Proposed Acquisition	
Professional fees (including fees for valuer and forester)	995
Total	<u>5,500</u>

Notes:

- (a) The professional fees and fees to authorities are for both the Rights Issue and Proposed Acquisition.
- (b) Includes printing and despatch cost, cost of convening EGM, advertisement expenses and other miscellaneous charges for both the Rights Issue and Proposed Acquisition.

If the actual expenses are lower or higher than estimated, the surplus or shortfall of funds will be utilised for working capital or be funded via internally generated funds.

Pending utilisation of the proceeds from the Rights Issue for the abovementioned purpose, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

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6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/or your renounee(s)/transferee(s) (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

6.1 Risks relating to our Group

6.1.1 Risk relating to the Proposed Acquisition

Upon completion of the disposal of our Solomon Island operations, our Group is left with managing 28,000 hectares of FMU under the SFM regime, consisting of mainly of newly planted trees and natural timbers. As a result, our Group lacked mature harvesting areas which had led to shortfall of timber and round logs supply for both our upstream and downstream operations.

In order to secure sufficient supply of timber and round logs, we have embarked on the Proposed Acquisition in 2016. As highlighted in **Section 7.4** of this Abridged Prospectus, the benefits to be derived from the Proposed Acquisition is expected to contribute positively to our Group. However, there is no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Company will be able to generate sufficient income from the Proposed Acquisition to offset the associated acquisition costs incurred, as our business is dependent on various factors, some of which may not be in our control.

In addition to the above, there is a possibility that the Proposed Acquisition may not be completed within the stipulated timeframe as set out in the SPA and other supplemental agreements therein due to financial matters which includes, amongst others, abortion of the Proposed Listing and/or failure to secure sufficient financing for the Proposed Acquisition.

6.1.2 Foreign currency fluctuation risk

China, Japan and other Asian countries have always been the major purchasers of plywood, sawn timber and round logs of our Group which the transactions are mostly denominated in USD. The proceeds from exports sales are mainly converted to RM at spot rate for funding the Group's operations.

Further to the above, we are also exposed to currency translation risk arising from net investments in foreign operations, including Hong Kong, Singapore and Papua New Guinea. These investments are not hedged as currency positions in Hong Kong Dollar, Singapore Dollar and Papua New Guinea Kina are considered to be long-term in nature.

As such, any adverse fluctuation in the above mentioned foreign currencies against RM will have an effect on our overall financial performance.

6.1.3 Regulatory requirements and dependence on licenses

We operate in a highly regulated environment where the ability to maintain our business licenses i.e. Sustainable Forest Management License Agreement and Long Term License are highly dependent on our ability to comply with the regulations and policies implemented by the Sabah Forestry Department. These regulations and/or policies include forest management planning, reduced impact logging, environmental impact assessment and silvicultural treatment to be implemented prior to and after logging operations. As such, failure to comply with the said requirements may result in suspension and/or revocation of our business licenses which would adversely affect our business.

As at the LPD, our Group has not been subject to any non-compliance with the regulators and will continue to work closely with the relevant regulators to ensure full compliance with the requirements as enforced by the Sabah Forestry Department.

6.1.4 Borrowings and Financings Risks and Fluctuation in Interest Rates risk

As disclosed in **Section 9.2** of this Abridged Prospectus, our Group's total borrowing as at the LPD is approximately RM118.1 million. It is the intention of the Group to pare down our borrowings with the proceeds generated from the Rights Issue. As disclosed in **Section 5**, the proceeds generated from the Rights Issue will be utilised to partially retire the facility with Bank Rakyat as it bears the highest interest rate among our existing facilities. Nonetheless, our Group may continue to obtain borrowings and loan facilities to finance, amongst others, our day to day operations and investment opportunities for expansion purposes on terms similar or more favourable than that of our existing facilities, in particular the facility with Bank Rakyat. As payment of interest on the borrowings is dependent on the prevailing interest rate, future fluctuations of interest rates could materially affect our Group's profitability.

In addition, the agreements on credit facilities and securities in relation thereto, contain covenants such as requirements to meet satisfactory targets for certain financial ratios i.e. debt to earnings before interest, taxes, depreciation, and amortization, leverage and net asset value which may limit our Group's future operating and financing flexibility. Any breach of such covenants may give rise to a right by the financiers to terminate the relevant credit facilities and/or enforce any securities granted in relation to the particular credit facility.

There is no assurance that the performance of our Group would remain favourable in the event of any adverse changes in the bank borrowing credit policies and interest rates.

6.1.5 Natural disasters

The operations of our Group is subject to certain inherent risks such as natural disasters, including but not limited to forest fires, severe droughts or prolonged heavy rainfall which may destroy the trees or prevent logging activities. Currently, there is no insurance available to insure our Company from such risks.

6.2 Risks relating to the industries in which we operate

6.2.1 Business, economic, regulatory and operational risks

The principal activities of our Group are operating of sustainable forest management units, timber harvesting, the manufacture and sale of processed wood products, distribution and trading services, wood processing services and the rental of kiln dry machines. In addition, we derive our revenue from our export markets including, amongst others, Japan, China, Singapore and Korea.

Therefore, our Group is subject to certain risks inherent to the timber industry. These risks include but are not limited to severe weather conditions, changes in the cost of labour, constraints in labour supply, changes in general economic and business conditions, foreign exchange rate fluctuations, unfavourable changes in local government and international policies, changes in consumer preferences, competition from local and foreign manufacturers and negative publicity from non-governmental organisations concerned with the effects of timber logging on the environment which may affect certain export markets, the development of new products and having a diversified market network, all of which may materially affect the financial performance of our Group.

While our Group may take measures to mitigate the aforementioned risks by keeping abreast with the changes in business, economic and regulatory landscape, there is no assurance that aforesaid changes will not have a material adverse effect on the operations of our Group as these factors affect all players in the timber industry and are generally beyond the control of our Group.

6.3 Risks relating to the Rights Issue

6.3.1 Market risks for the Rights Shares

The market price of PWI Shares is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, outlook of the industries which we operate in as well as our financial performance. In view of this, there can be no assurance that our shares will trade above the issue price of the Rights Shares or the TEAP of our shares upon or subsequent to the listing of and quotation for the Rights Shares and Bonus Shares on the Main Market of Bursa Securities.

6.3.2 Potential dilution in shareholding

Entitled Shareholders who do not and/or are unable to fully accept their Provisional Allotment will have their proportionate percentage of shareholdings and voting interests in our Company reduced in the enlarged issued and paid-up share capital of our Company as a result of the issuance of the Rights Shares and the Bonus Shares. In view thereof, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after the completion of the Rights Issue will correspondingly be diluted.

6.3.3 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to risk that it may be aborted or delayed due to *force majeure* such as flood, earthquake, storm, epidemic which are beyond the control of our Company.

In the event the Rights Issue is aborted, all monies received in respect of all applications for any Rights Shares will be returned in full without interest. Pursuant to Section 243 of the CMSA, if any such money received from the Entitled Shareholders are not repaid within fourteen (14) days after the Company becomes liable to pay, the Company will repay such money with interest at the rate of ten per centum (10%) per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA. While our Company endeavours to implement the Rights Issue, there can be no assurance that the abovementioned events will not cause a delay in or abortion of the Rights Issue.

In the event the Rights Issue has been allotted to the successful Entitled Shareholders and/or their renounee(s)/transferee(s), if applicable, and the Rights Issue is subsequently cancelled or terminated, a return of monies to the successful applicants can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of our shareholders by way of a special resolution in a general meeting and may require the confirmation of the High Court of Malaya or supported by a solvency statement made by all directors of our Company. There can be no assurance that such monies can be returned expeditiously under such circumstances.

6.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on assumptions made by our Management and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter-alia*, the risk factors as set out in this section. In view of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by us on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the global economy

The global economy continue to expand further by 3.5% in the first quarter of 2018 compared to the corresponding quarter in 2017 of 3.3% with steady growth across regions. For most advanced economies and major emerging market and developing economies, growth was fuelled by strong investment and export activities. Global trade continued to expand led by higher investment and expansionary fiscal policy.

(Source: Malaysian Economy in the First Quarter 2018, Ministry of Finance Malaysia)

Global economic expansion continued at a robust pace in the first quarter of 2018. Most major and regional economies recorded strong quarterly growth, suggesting the positive global growth momentum from the previous year was sustained. Growth in the Asian was supported by robust global demand conditions, with several economies maintaining double-digit export growth during the quarter. Domestic demand remained resilient, due to policy support and higher infrastructure spending.

(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2018, Bank Negara Malaysia)

7.2 Overview and outlook of the Malaysian economy

The Malaysian economy grew 5.4% in the first quarter of 2018 (Q1 2017: 5.6%). Growth was supported by domestic demand, which expanded 4.1%, in particular, the private sector expenditure.

Private consumption grew 6.9% supported by steady employment and low inflation rate. Consumer spending was mainly in food and non-alcoholic beverages segment, constituting 21.2% of overall consumer spending, followed by housing, water, electricity, gas and other fuels (15.9%), and communication (10.2%) segments. Private investment grew marginally by 0.5% mainly channelled into services sector, particularly in wholesale and retail, health, education and utilities subsectors. Public consumption moderated 0.4% due to lower spending on supplies and services. Public investment contracted 1% on account of lower capital spending by public corporations.

On the supply side, all sectors registered a positive growth except mining.

(Source: Malaysian Economy in the First Quarter 2018, Ministry of Finance Malaysia)

The Malaysian economy's registered a growth of 5.4% in Q1 2018 (Q4 2017: 5.9%), driven by continued growth of 5.2% in private sector spending despite being at a lower rate than the previous quarter (5.2%; Q4 2017: 7.4%) and a very strong growth in net exports (62.4%; Q4 2017: 2.3%). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by a modest 1.4% (Q4 2017: 1.0%).

As mentioned above, domestic demand recorded a moderate growth of 4.1% (Q4 2017: 6.2%), due to a lower growth rate of private sector expenditure compared to the previous quarter (5.2%; Q4 2017: 7.4%) and a marginal decline in public sector spending (-0.1%; Q4 2017: +3.4%).

(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2018, Bank Negara Malaysia)

7.3 Overview and prospects of the timber industry

During the Third Industrial Master Plan (2006 - 2020), exports of the timber industry is targeted to grow by 6.4 per cent per annum. The main contributors to this targeted growth will be furniture and panel products, such as medium density fibreboard and plywood. The National Timber Industry Policy 2009 – 2020 (“NATIP”) was officially launched on 17 February 2009 concerning the long-term development of the timber industry. The policy directions in NATIP are set out as a course of actions designed specifically for the timber industry to maintain and enhance its competitive edge in the global marketplace. This policy will shift the focus of timber industry from upstream activity to higher value added downstream activity. However, in 2017, Ministry of Plantation Industries and Commodities Malaysia (“MPIC”) has revised the export target of NATIP from RM53 billion to RM25 to RM30 billion by 2020 due to the shortage of raw material supplies as well as workers.

(Source: NATIP 2009 -2020, MPIC)

Currently, Malaysia is one of the world's largest exporters of tropical timber and also a major producer and exporter for sawn timber, panel products (plywood, medium density fibreboard and particleboard), builders' joinery & carpentry (BJC), mouldings and furniture and furniture parts. In Malaysia, the large sawmills as well as veneer and plywood mills are mainly located in Sabah and Sarawak using tropical wood species for their production. Companies producing furniture in Malaysia are export-oriented, where 90% of its production is exported to more than 160 countries. The major export destinations were the USA, Europe, Japan and Australia. Malaysia was the 8th largest exporter of furniture in the world. To further enhance the furniture industry, the government has established a Muar Furniture Park, where it houses companies, innovation and training centers. The initiative will contribute towards achieving the target of NATIP for wood and wood products and furniture respectively by 2020.

(Source: Malaysian Investment Development Authority's (“MIDA”) “Wood Industry”)

As at April 2018, on a year on year basis, Malaysia's exports increased 14.0% from RM73.9 billion to RM84.2 billion whereby timber and timber-based products accounted for 2.2% of Malaysia's total exports. This reflects a growth of RM29.2 million or 1.6% to RM1.9 billion. On a month to month basis, exports of timber and timber-based products dropped RM89.5 million or 4.6% from RM1.9 billion from the previous month.

(Source: Department of Statistics Malaysia's “Monthly External Trade Statistics for the month of April 2018”)

7.4 Future prospects of our Group

Our Group, through our subsidiaries, is principally involved in the manufacturing and sale of processed wood products, trading of logs and provision of wood processing services. In recent years, we continued to operate in a highly competitive industry, characterised by fluctuations in raw material prices and sustainability of log supply. In addition, our Group's downstream operations had been affected by the on-going shortage of round logs, mainly attributable to the introduction of reduced impact logging policy as stipulated under the Sustainable Forest Management concept, whereby timber operators are required to:

- (i) adopt a comprehensive harvesting plan and technique in harvesting any logs in order to minimise the damage on residual tree stocks, soil and water quality;
- (ii) adhere to the requirements imposed on the type of trees and sizes that are harvestable; and
- (iii) comply with the restrictions on timber felling which involves felling direction, control of felling direction or a heavy lean that will damage adjacent trees,

all of which, have contributed to the constraints in our logging activities.

In addressing the future profitability and sustainability of our Group, we have embarked on the Proposed Acquisition to transform our Group into a fully integrated player with our own entire value chain comprising upstream and downstream assets, complemented with our in-house expertise, know-how and market knowledge. This is to enable our Group to stay competitive and remain sustainable in the highly challenging market conditions by providing access to a 100-year concession (with a remaining concession period of 79 years as at LPD) of 101,161 hectares in the FMU5, of which approximately 12,241 hectares will be surrendered back to the State Government of Sabah pursuant to the 3rd FMP.

Through the Proposed Acquisition, our Management estimates that the harvest from FMU5 will contribute approximately 70% of the annual log supply for our principal business segments such as logs trading, sawmill operations and plywood manufacturing for the next 10 years thus enhancing the profit margins of our manufacturing business moving forward. In addition, the Proposed Acquisition will provide us the competitive advantage over other timber players in the industry in terms of harvestable area as we increase our harvestable area from approximately 28,000 hectares to 116,000 hectares.

Meanwhile, pending completion of the Proposed Acquisition, our wholly-owned subsidiary, SSB has commenced logging activities at Compartment 57 and Compartment 58 within the FMU5 area pursuant to the Log Extraction and Timber Sale Agreement. Under the said agreement, all costs to be incurred arising from the logging activities such as log extraction charges, royalty, premium and any other statutory charges shall be borne by SSB. The supplies to be derived from Compartment 57 and Compartment 58 will be able to sustain our operations for a period of 12 months. Nonetheless, our Management will continue to delineate additional compartments within the FMU5 area for our logging activities while pending completion of the Proposed Acquisition.

In addition to the Proposed Acquisition, the utilisation of proceeds for the Rights Issue as detailed in **Section 5** of this Abridged Prospectus is expected to:-

- (i) reduce the gearing and finance cost of our Group hence providing our Management the option to incur additional borrowings for expansion purposes should any opportunity arises in the future; and
- (ii) complement the Proposed Acquisition by channelling part of the proceeds to the working capital of FMU5 which includes, amongst others, building of new infrastructure within the FMU5 site and the installation and redeployment of existing machinery from our factory in Sandakan to FMU5 site, all of which are expected to contribute positively to our Group.

Further to the above and in line with the Sabah State Government's urge to develop and increase the line of downstream products within the timber industry, our Group had on 23 April 2018 announced our intention to venture into manufacturing and supply of timber container flooring. As our existing factory is fully equipped for integrated wood processing activities, our Management believes that we are in a good position to leverage on such policy by expanding our existing line of downstream products such as wooden frames, block board and other moulded timber, all of which are expected to contribute positively to our downstream operations. Notwithstanding this, our Board is always looking out for opportunities to venture into quality engineered wood products.

For information purpose, the Sabah State Government had on 23 May 2018 announced an immediate temporary ban on the export of logs from Sabah. Our Board believes that the temporary ban would not have a material adverse impact on our operations as the export-grade logs can either be channeled into our downstream operations for production of plywood and sawntimber products or they can be sold locally to other local downstream operators. These processed logs can thereafter be sold locally or exported.

Premised on the above and MPIC's revised export target of NATIP as well as the shortage of raw material supplies as described in **Section 7.3** above, our Management is optimistic on the future outlook of our Group moving forward as we envisage that the benefits to be derived from the Proposed Acquisition and the Rights Issue will secure our Group's position as one of the leading integrated timber operator in Sabah, Malaysia.

(Source: Management)

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8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE**8.1 Issued share capital**

The proforma effects of the Rights Issue on the issued share capital of PWI are as follows:

	<u>No. of PWI Shares</u>	<u>RM</u>
Issued share capital as at the LPD	⁽¹⁾ 1,023,730,631	191,365,982
Rights Shares to be issued pursuant to the Rights Issue	2,047,461,262	102,373,063
Bonus Shares to be issued pursuant to the Rights Issue	1,023,730,631	⁽²⁾ 74,511,248
Enlarged issued share capital after the Rights Issue	<u>4,094,922,524</u>	<u>368,250,293</u>

Notes:

- (1) After the issuance of 93,060,000 Placement Shares, generating proceeds totalling RM22,371,800, which were completed on 6 February 2018.
- (2) Amount reflects the total value capitalised from the capital redemption reserve of our Company. The balance of RM27,861,815 out of RM102,373,063 for the Bonus Shares is to be capitalised from the Share Premium account which has been included in our Company's Share Capital account.

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8.2 NA per Share and gearing

Based on the audited consolidated statement of financial position of our Group as at 30 June 2017, the pro forma effects of the Rights Issue on the NA per PWI Share and gearing of our Group are as follows:

	Audited as at 30 June 2017	(I) After Subsequent Events and as at LPD	(II) After (I) and the Rights Issue
	RM	RM	RM
Share capital	168,994,182	(1)(0)191,365,982	(2)368,250,293
Treasury shares	(10,324,612)	-	-
Foreign currency translation reserve	1,573,950	1,573,950	1,573,950
Capital redemption reserve	74,511,248	74,511,248	(3)-
Retained profits	73,184,581	(1)(0)65,875,049	(4)43,505,049
Shareholders' funds/NA	307,939,349	333,326,229	413,329,292
Non-controlling interests	(377,902)	(377,902)	(377,902)
Total equity	307,561,447	332,948,327	412,951,390
Number of outstanding PWI Shares	930,670,631	(1)(0)1,023,730,631	4,094,922,524
NA per PWI Share (RM)	0.33	0.33	0.10
Total borrowings (RM)	133,543,573	133,543,573	(5)53,543,573
Gearing (times) ⁽⁶⁾	0.43	0.40	0.13

Notes:

- (1) After adjusting for the following events subsequent to FYE 30 June 2017:
 - i) issuance of 93,060,000 Placement Shares, generating proceeds totalling RM22,371,800, which were completed on 6 February 2018; and
 - ii) losses amounting to RM7,309,532 is as a result of the disposal of the entire 12,562,832 treasury shares that had been purchased for RM10,324,612 but subsequently disposed of at RM0.24 per share or RM3,015,080.
 (Collectively referred to as "Subsequent Events")
- (2) Based on the issuance of 2,047,461,262 Rights Shares at the issue price of RM0.05 per Rights Share and 1,023,730,631 Bonus Shares.
- (3) After capitalisation for the issuance of the Bonus Shares.
- (4) After deducting the estimated expenses in relation to the Rights Issue and Proposed Acquisition of RM5.50 million and working capital for FMU5 of RM16.87 million.
- (5) After repayment of borrowings totalling RM80.00 million.
- (6) Calculated as total borrowings divided by shareholders' funds/NA.

8.3 Substantial shareholder's shareholdings

The Rights Issue will not have any effect on the substantial shareholdings' in PWI. The proforma effect of the Rights Issue on the substantial shareholder's shareholdings in PWI as at the LPD, is as follows:

Substantial shareholder	As at the LPD			After the Rights Issue		
	Direct	Indirect		Direct	Indirect	
	Number of PWI Shares held	Number of PWI Shares held	%	Number of PWI Shares held	Number of PWI Shares held	%
Maha Gayabina	141,247,353	-	13.80	564,989,412	-	13.80
Lim Nyuk Foh	79,880,911	-	7.80	(2)357,212,140	-	8.72
Tan Sri	60,199,153	(1)25,424,524	5.88	240,796,612	(1)101,698,096	5.88
Puan Sri	25,424,524	(1)60,199,153	2.48	101,698,096	(1)240,796,612	2.48
						5.88

Notes:

- (1) Deemed interested by virtue of his/her spouse's interest pursuant to Section 8 of the Act.
(2) Assuming all his Excess Rights Shares applied for are granted.

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8.4 Earnings and EPS

The Rights Issue is expected to contribute positively to the future earnings of our Group when the benefits arising from the utilisation of proceeds raised from the Rights Issue materialise. Nevertheless, our future EPS will be diluted as a result of the increase in the number of the PWI Shares in issue pursuant to the Rights Issue.

For illustration purposes only, based on the latest audited financial statements of our Group for the FYE 30 June 2017, the EPS of our Group will be proportionately reduced with the increase in the number of PWI Shares in issue as a result of the issuance of the Rights Shares and Bonus Shares as follows:

	Audited as at 30 June 2017	(I) After Subsequent Events	(II) After (I) and Rights Issue
	RM	RM	RM
PAT/(LAT) ('000)	4,260	4,260	4,260
No. of PWI Shares ('000)	930,670	1,023,730	⁽¹⁾ 4,094,922
EPS/(LPS) (Basic/Diluted) (sen)	0.46	0.42	0.10

Note:

(1) After issuance of 2,047,461,262 Rights Shares and 1,023,730,631 Bonus Shares.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM118.1 million. All the borrowings are denominated in RM, interest-bearing and comprise the following:

	Purpose of borrowings	Currency	Amount in RM'000
Long term borrowings:			
Bank Rakyat	Refinancing of borrowings and working capital	RM	65,727
Forest Plantation Development Sdn Bhd	Financing for reforestation	RM	14,107
Hire purchase creditors	To purchase logging equipment	RM	1,643
Short term borrowings:			
Bank Rakyat	Refinancing of borrowings and working capital	RM	33,319
Hire purchase creditors	To purchase logging equipment	RM	3,300
Total			118,096

Save as disclosed above, we do not have any other borrowings as at the LPD. After having made all reasonable enquiries, there has been no default on payments of either interest and/or principal sums in respect of any borrowings for the FYE 30 June 2017 and the subsequent financial periods up to the LPD.

As at LPD, neither we nor our subsidiaries are in breach of any terms and conditions or covenants associated with our borrowing facility agreements, which could materially affect our financial position, results and/or business operations.

9.3 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Company.

9.4 Material commitments

Our Board confirms that as at the LPD and save as disclosed below, there are no material commitments incurred or known to be incurred by our Group which may, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:

	<u>RM'000</u>
Capital commitments	-
Capital expenditure approved and contracted for:	
- Acquisition of property, plant and equipment for manufacture and supply of container flooring ⁽¹⁾	7,874
- Acquisition of timber rights and planting rights pursuant to the Proposed Acquisition ⁽²⁾	237,000
Total	<u>244,874</u>

Notes:

- (1) The capital expenditure is expected to be financed through our Group's internally generated funds and/or borrowings.
- (2) The capital expenditure for the Proposed Acquisition is expected to be financed by way of combination of shares and proceeds raised from the Proposed Listing, or our Group's internally generated funds and/or borrowings.

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10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, APPLICATION FOR THE EXCESS RIGHTS SHARES AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTION CONTAINED THEREIN.

YOU AND/ OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

10.1 General

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotment will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/ or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications to subscribe for the Rights Issue.

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Rights Shares if you choose to do so. The Abridged Prospectus and the RSF are also available on Bursa Securities' website (<https://www.bursamalaysia.com>).

10.2 Methods of application

You may subscribe for such number of Rights Shares that you have been provisionally allotted as well as to apply for Excess Rights Shares, if you so choose, using either of the following methods:

<u>Method of application</u>	<u>Category of Entitled Shareholders</u>
RSF ⁽¹⁾	All Entitled Shareholders
Electronic Application ⁽²⁾ or Internet Application ⁽³⁾	All Entitled Shareholders
NRS	Authorised nominee who has subscribed for NRS

Notes:

- (1) A copy of the RSF will be enclosed together with this Abridged Prospectus. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).
- (2) The following surcharge per Electronic Application will be charged by the Participating Financial Institution:
 - Public Bank Berhad – RM4.00 (0% GST); and
 - Affin Bank Berhad – RM4.00 (0% GST).

(3) The following processing fee per Internet Application will be charged by the following Internet Participating Financial Institution:

- Public Bank Berhad (<http://www.pbebank.com>) – RM4.00 (0% GST); and
- Affin Bank Berhad (<http://www.affinbank.com.my>) – RM4.00 (0% GST).

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotment is at **5.00p.m.** on **Monday, 6 August 2018**.

10.4 Procedure for full acceptance and payment

10.4.1 By way of RSF

Acceptance and payment for the Provisional Allotment must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes therein or which are illegible may not be accepted at the absolute discretion of our Board.

If you wish to accept all or part of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided therein. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST, COURIER or DELIVERED BY HAND** to the following address:

FOR COURIER AND/ OR DELIVERY BY HAND:-

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/ 46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FOR ORDINARY POST:-

Symphony Share Registrars Sdn Bhd
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel. No.: 03 - 7849 0777
Fax. No.: 03 - 7841 8151/52
Email: ssr.helpdesk@symphony.com.my

so as to arrive **not later than 5.00p.m.** on **Monday, 6 August 2018**, being the last date and time for acceptance and payment for the Rights Shares.

One (1) RSF can only be used for acceptance of Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotment standing to the credit of more than one (1) CDS Account(s). The Rights Shares subscribed by you in accordance with the procedures set out in the RSF will be credited into the CDS Account(s) where the Provisional Allotment is standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/ or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares comprises 100 PWI Shares. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. Fractions of Rights Shares, if any, will be disregarded, and shall be dealt with in a fair and equitable manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of our Company.

If acceptance and payment for the Provisional Allotment (whether in full or in part, as the case may be) is not received by our Share Registrar by **5.00p.m. on Monday, 6 August 2018**, being the last date and time and for acceptance and payment, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares are not fully taken up by such applicants, our Board will then have the right to allot such securities to the applicants who have applied for the Excess Rights Shares in the manner as set out in **Section 10.8** of this Abridged Prospectus.

If you or your renounee(s)/transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar at the address stated above or our Registered Office.

Each completed RSF must be accompanied by remittance in RM for the full amount payable for the Provisional Allotment accepted in the form of banker's draft(s)/ cashier's order(s)/ money order(s) or postal order(s) drawn on a bank or post office in Malaysia and made payable to "**PWI RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name, address and CDS account number in block letters to be received by our Share Registrar. The payment must be made for the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. **Cheques or any other mode(s) of payment not prescribed herein are not acceptable, except with the approval of our Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.**

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENT OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Provisional Allotment will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for acceptance and payment for the Provisional Allotment; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for acceptance and payment for the Provisional Allotment.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.2 By way of Electronic Application

Only Entitled Shareholders who are individuals may apply for the Rights Shares by way of Electronic Application.

If you wish to accept the Provisional Allotment, either in full or in part, by way of Electronic Application, please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

(i) Participating Financial Institution

Electronic Applications may be made through an ATM of the following Participating Financial Institution and their branches within Malaysia:-

- (a) Public Bank Berhad
- (b) Affin Bank Berhad

(ii) **Steps for Electronic Applications through a Participating Financial Institution's ATM within Malaysia**

The procedures for Electronic Applications at the ATMs of the Participating Financial Institution are set out on the ATM screens of the relevant Participating Financial Institution ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions for Electronic Applications set out below before making an Electronic Application.

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institution cannot be used to apply for the Rights Shares at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this Abridged Prospectus **BEFORE** making the application; and
- (c) You shall apply for the Rights Shares via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to **Section 10.4.2(iii)** below). You shall enter at least the following information through the ATM when the instructions on the ATM screen require you to do so:-
 - Personal Identification Number ("**PIN**");
 - Select **PWI RIGHTS ISSUE ACCOUNT**;
 - CDS Account number;
 - Number of Rights Shares applied for and/or the RM amount to be debited from the account;
 - Current contact number (for e.g. your mobile phone number); and
 - Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your Application.

You must ensure that you use the number of the CDS Account held in your name when making an Electronic Application. If you operate a joint bank account with any of the Participating Financial Institution, you must ensure that you enter the number of the CDS Account held in your name when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.

(iii) **Terms and Conditions of Electronic Applications**

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institution and those appearing herein:

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
- (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have read the relevant Abridged Prospectus and understood and agreed with the terms and conditions of the application;
 - (iii) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in **Section 10.2 (Note 2)** of this Abridged Prospectus) from your bank account with the said financial institution ("**Authorised Financial Institution**"); and
 - (iv) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.
- Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.
- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
 - (c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.
 - (d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institution.

- (e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:
 - (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
 - (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which, the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for acceptance and payment for the Rights Shares; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for acceptance and payment for the Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in **Section 10.4.2(iii)** of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.4.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares by way of Internet Application. If you wish to accept the Provisional Allotment, either in full or in part, by way of Internet Application, please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) **Internet Participating Financial Institution**

Internet Applications may be made through the internet financial services facilities of the following Internet Participating Financial Institution and their branches within Malaysia:

- Affin Bank Berhad at www.affinbank.com.my; and
- Public Bank Berhad at www.pbebank.com.

(ii) **Step 1: Set up of account**

Before making an application by way of Internet Application, you **must have all** of the following:

- a) an existing account with access to internet financial services with **Affin Bank Berhad** at <http://www.affinbank.com.my> or **Public Bank Berhad** at <http://www.pbebank.com>. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and
- b) a CDS Account registered in your name.

(iii) **Step 2: Read the Abridged Prospectus**

You are advised to read and understand this Abridged Prospectus **BEFORE** making your application.

(iv) **Step 3: Apply through Internet**

While we will attempt to provide you with assistance in your application for the Rights Shares through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (c) Navigate to the section of the website on applications in respect of the Rights Shares;
- (d) Select the counter in respect of the Rights Shares to launch the electronic Abridged Prospectus and the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, **PWI RIGHTS ISSUE ACCOUNT**), your NRIC number, your current contact number (for e.g. your mobile phone number), your CDS Account number, number of Rights Shares applied for and the account number to debit are correct.

Then select the designated hyperlink on the screen to confirm and submit the online application form;

- (h) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution (as defined below) to effect the online payment of your money for the Rights Issue;
- (i) You must pay for the Rights Issue through the website of the Authorised Financial Institution (as defined below), failing which the Internet Application is not completed, despite the display of the Confirmation Screen. "Confirmation Screen" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of your Internet Application, including the number of Rights Shares applied for, which can be printed out for your record;
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and
- (k) You are advised to print out the Confirmation Screen for your reference and record.

(v) Terms and Conditions of Internet Applications

The Internet Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Internet Participating Financial Institution and those appearing herein:-

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:-
 - (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this Abridged Prospectus, the contents of which you have read and understood;
 - (iii) You agree to all the terms and conditions of the Internet Application as set out in this Abridged Prospectus and have carefully considered the risk factors set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the Internet Application;
 - (iv) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in **Section 10.2 (Note 3)** of this Abridged Prospectus) from your bank account with the said financial institution ("**Authorised Financial Institution**"); and

- (v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.
- (b) You confirm that you are not applying for the Rights Shares as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this Abridged Prospectus.
- (c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institution.

- (d) By making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.
- (e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution, Authorised Financial Institution or Bursa Depository and irrevocably agrees that if:
 - (i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or
 - (ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution, Authorised Financial Institution or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (h) By making and completing an Internet Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Internet Application facility established by the Internet Participating Financial Institution at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Internet Participating Financial Institution, Authorised Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (j) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for acceptance and payment for the Rights Shares; or

- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for acceptance and payment for the Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in **Section 10.4.3(v)** of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (k) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

10.4.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are authorised nominees ("Authorised Nominees"). Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.

- (c) A notification of the delivery of the Abridged Prospectus and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
- (f) To apply for the Rights Shares, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5 p.m., but in any event no later than the last day and time for acceptance and payment.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:-
- (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
 - (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Rights Shares which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:-
- Bank : **MALAYAN BANKING BERHAD**
Account Name : **PWI RIGHTS ISSUE ACCOUNT**
Bank Account No. : **514012109590**
- prior to submitting the Rights Shares Subscription File to Bursa Depository.
- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Shares electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
- (i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in **Section 10.4.4(ii)(a)** of this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Rights Shares allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Rights Shares submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:-

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

- (c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:-
- (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
 - (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,
- you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:-
- (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

10.5 Procedure for part acceptance by Entitled Shareholders

10.5.1 By way of RSF

You must complete both Parts I(A) and II of the RSF by specifying the number of the Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 10.4.1** of this Abridged Prospectus.

You are entitled to accept part of your Provisional Allotment provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share.

10.5.2 By way of Electronic Applications and Internet Applications

If you are an individual who is an Entitled Shareholder and wish to accept part of your Rights Shares via Electronic Application or Internet Application, you may do so by following the same steps as set out in **Section 10.4.2** (By way of Electronic Application) and **Section 10.4.3** (By way of Internet Application), respectively of this Abridged Prospectus.

The portion of the Provisional Allotment that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotment.

10.5.3 By way of NRS

If you are an Authorised Nominees who is an Entitled Shareholder and wish to accept part of your Rights Shares via NRS, you may do so by following the same steps as set out in **Section 10.4.4** of this Abridged Prospectus.

10.6 Procedure for sale or transfer of the Provisional Allotment

As the Provisional Allotment are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotment to one (1) or more person(s) through your stock broker without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotment, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository both for the period up to the last day and time for the sale or transfer of the Provisional Allotment (in accordance with the Rules of Bursa Depository).

If you have disposed or transferred only part of the Provisional Allotment, you may still accept the balance of the Provisional Allotment by completing the RSF. Please refer to **Sections 10.4 and 10.5** of this Abridged Prospectus for the procedure for acceptance and payment.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN DISPOSING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENT, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO ANY STOCK BROKER. HOWEVER, YOU MUST ENSURE THAT THERE IS SUFFICIENT PROVISIONAL ALLOTMENT STANDING TO THE CREDIT OF YOUR CDS ACCOUNT THAT IS AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

10.7 Procedure for acceptance by renounee(s)/transferee(s)

Renounee(s)/transferee(s) who wish to accept the Provisional Allotment must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at <http://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance, payment, selling and transferring applicable to the Entitled Shareholders as set out in **Sections 10.4 and 10.5** of this Abridged Prospectus also applies to renounee(s)/transferee(s) who wish to accept the Provisional Allotment.

RENOUNEE(S)/TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedure for application of Excess Rights Shares

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises 100 PWI Shares.

It is the intention of our Board to allot the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and
- (iv) Finally, for allocation to renounee(s)/transferee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for.

After the above sequence of allocations is completed, any balance of Excess Rights Shares will be allocated again through steps **(ii)-(iv)** above until all Excess Rights Shares are fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) - (iv) above is achieved.

Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

10.8.1 By way of RSF

You and/ or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares applied for) to our Share Registrar **not later than 5.00p.m. on Monday, 6 August 2018**, being the last date and time for acceptance and payment.

Payment for the excess rights shares applied for should be made in the same manner as described in **Section 10.4** of this Abridged Prospectus, and in the form of Banker's Draft(s)/ Cashier's Order(s)/ Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "**A/C PAYEE ONLY**" and made payable to "**PWI EXCESS RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with your name, address and CDS Account number in block letters so as to be received by our share registrar not later than the last date and time for excess application and payment as set out in the cover page of this Abridged Prospectus. The payment must be made for the full and exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other modes of payment not prescribed herein are not acceptable, except with the approval of our Board.

You should note that all RSFs lodged with our Share Registrar will be irrevocable and cannot be subsequently withdrawn.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement of receipt of the RSF or excess application monies will be issued by our company or our share registrar in respect of the Excess Rights Shares.

Excess Rights Application shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any Excess Rights Application, in full or in part, without assigning any reason.

Notification on the outcome of your Excess Rights Application will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares.

If you have provided your bank account information to Bursa Depository for purposes of cash dividend/distribution, the refund will be credited directly into that bank account. For this purpose, you are required to provide your consent via the RSF in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institutions, their respective agents and any third party who may be involved in facilitating the payment of refund to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refund or for any other purpose in connection with such payments.

If the crediting of the refund into that bank account (details of which has been provided to Bursa Depository) is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.8.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/or a renouncee(s)/transferee(s) and/or if you have purchased any Provisional Allotment, and wish to apply for additional Rights Shares via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in **Section 10.4.2** of this Abridged Prospectus save and except that you shall proceed with the option for Excess Rights Application and the amount payable to be directed to "**PWI EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares applied.

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises of 100 PWI Shares.

The Electronic Application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in **Section 10.4.2** of this Abridged Prospectus, as well as the terms and conditions as stated below:

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
 - (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in **Section 10.4.2** of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.8.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renouncee(s)/transferee(s) and/or if you have purchased any Provisional Allotment, and wish to apply for additional Rights Shares via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in **Section 10.4.3** of this Abridged Prospectus save and except that you shall proceed with the option for Excess Rights Shares application and the amount payable to be directed to "**PWI EXCESS RIGHTS ISSUE ACCOUNT**" for the Excess Rights Shares applied and also that you should complete the details for the excess rights application at the designated fields for the excess applications in the Rights Subscription File. The details of the account are as follows:

Bank : **MALAYAN BANKING BERHAD**
Account Name : **PWI EXCESS RIGHTS ISSUE ACCOUNT**
Bank Account No. : **514012109605**

The minimum number of Excess Rights Shares that can be applied for is one (1) Excess Rights Share. However, you should take note that a trading board lot comprises of 100 PWI Shares.

The Internet Application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in **Section 10.4.3** of this Abridged Prospectus, as well as the terms and conditions as stated below:

- (i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or
 - (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in **Section 10.4.3(v)** of this Abridged Prospectus and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.9 Form of issuance

Bursa Securities has prescribed PWI Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to the dealings in the Rights Shares.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificates shall be issued to you under the Rights Issue. Instead, the Rights Shares will be credited directly into your CDS Account.

Your subscription for the Rights Shares/application for the Excess Rights Shares shall mean that you consent to receiving such Rights Shares/Excess Rights Shares (if successful) as deposited securities which will be credited directly into your CDS Account. No physical share certificates will be issued.

10.10 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF (collectively referred to as the "**Documents**") have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any jurisdiction other than Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

Accordingly, the Documents will not be sent to the Foreign Entitled Shareholders and/ or their renounee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounee(s)/transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid Documents.

The Foreign Entitled Shareholders and/ or their renounee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so.

RHB Investment Bank, our Share Registrar, our Company, our Directors, officers and advisers (collectively, the “Parties”) would not, in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renouncee(s)/transferee(s) (if applicable) are or may be subject to. Foreign Entitled Shareholders and/ or their renouncee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renouncee(s)/transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such Foreign Entitled Shareholders and/ or their renouncee(s)/transferee(s) (if applicable) should 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 accept the Rights Issue.

By signing any of the forms accompanying the Documents, the Foreign Entitled Shareholders and/ or their renouncee(s) /transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;
- (iii) Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) are aware that the Rights Shares can only be transferred, sold or otherwise disposed, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and
- (vi) Foreign Entitled Shareholders and/ or renouncee(s)/transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements. The Provisional Allotment relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for excess application by the other Entitled Shareholders. You and/or your renounee(s)/transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renounee(s)/transferee(s)'s entitlement under the Rights Issue or to any net proceeds thereof.

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11. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions set out in this Abridged Prospectus, the NPA and the RSF enclosed herewith.

12. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
PRICEWORTH INTERNATIONAL BERHAD



KOO JENN MAN
Executive Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 22 MAY 2018

PRICEWORTH INTERNATIONAL BERHAD
Company No. 399292-V
(Incorporated in Malaysia)



EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT FINCHAM ROOM 7, LEVEL 3, THE PACIFIC SUTERA HOTEL, 1, SUTERA HARBOUR BOULEVARD, SUTERA HARBOUR, 88100 KOTA KINABALU, SABAH ON TUESDAY, 22 MAY 2018 AT 9.00 A.M.

4 JUL 2018

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,047,461,262 NEW ORDINARY SHARES IN PWI ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.05 PER PWI SHARE, TOGETHER WITH A BONUS ISSUE OF UP TO 1,023,730,631 NEW PWI SHARES ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF TWO (2) RIGHTS SHARE FOR EVERY ONE (1) EXISTING PWI SHARES HELD AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE")

The Chairman put the Ordinary Resolution 2 on the Proposed Rights Issue to the Meeting to be voted by poll.

The results of the poll for Ordinary Resolution 2 on the Proposed Rights Issue were as follows:

	Voted For		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 2	389,635,855	100%	0	0	Carried

It was RESOLVED:

"THAT subject to the approvals of all relevant authorities being obtained, including but not limited to the approval of Bursa Malaysia Securities Berhad being obtained, the Board of Directors of PWI ("Board") be and is hereby authorised to provisionally allot and issue by way of a renounceable rights issue of up to 2,047,461,262 Rights Shares on the basis of two (2) Rights Share for every one (1) existing PWI Shares held, together with a Bonus Issue of up to 1,023,730,631 new PWI Shares on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed, by the shareholders of PWI whose names appear in the Record of Depositors of the Company ("Entitled Shareholders") as at the close of business on an entitlement date to be determined later by the Board, or their renounces, on such other terms and conditions as the Board may determine;

THAT any fractional entitlements of the Rights Shares and Bonus Shares arising from the Proposed Rights Issue shall be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion deem fit or expedient, and in the best interest of the Company;

THAT the Rights Shares shall be payable in cash on application by the Entitled Shareholders, on such terms and conditions as the Board may determine;

THAT the Rights Shares and Bonus Shares to be issued, upon allotment and issuance, rank pari passu in all respects with the then existing PWI Shares, except that the Rights Shares and the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders, the entitlement date of which is prior to the allotment date of the Rights Shares and the Bonus Shares, respectively;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Rights Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue."

Certified as a True Extract of the original



DIRECTOR
KOO JENN MAN

Dated: 04 JUL 2018



SECRETARY
TAN TONG LANG (MAICSA 7045482)

Dated: 04 JUL 2018

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 22 August 1996 under the Act as a private limited company under the name of Priceworth Wood Products Sdn Bhd. Our Company was listed on the Second Board of Bursa Securities on 31 December 2001, and was transferred to the Main Board of Bursa Securities (now known as the Main Market of Bursa Securities) on 26 November 2004. In March 2011, our Company assumed its present name.

We are principally an investment holding company while our subsidiary companies are mainly involved in manufacturing and selling processed wood products, distributing and trading log timber, provision of wood processing services and timber extraction, and rental of kiln dry machinery. PWI also provides land development contract services. Further details for the principal activities of our subsidiaries are set out in **Section 5** of this Appendix II.

2. SHARE CAPITAL**2.1 Issued Share Capital**

As at the LPD, our issued share capital is 1,023,730,631 ordinary shares with RM191,365,982.10 fully paid up.

2.2 Changes in the Share Capital

The details of the changes in our issued share capital for the past three (3) years preceding the LPD are set out below:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative issued share capital RM
5 February 2015	20,374,898	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM2.5 million to 19,334,880 new ordinary shares of PWI	44,736,926.90
2 March 2015	19,334,880	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM2.5 million to 19,334,880 new ordinary shares of PWI	46,670,414.90
29 July 2015	7,892,659	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.0 million to 7,892,659 new ordinary shares of PWI	47,459,680.80

INFORMATION ON OUR COMPANY (CONT'D)

7 August 2015	7,892,659	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.0 million to 7,892,659 new ordinary shares of PWI	48,248,946.70
2 October 2015	10,000,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.0 million to 10,000,000 new ordinary shares of PWI	49,248,946.70
16 October 2015	10,000,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.0 million to 10,000,000 new ordinary shares of PWI	50,248,946.70
20 October 2015	10,000,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.0 million to 10,000,000 new ordinary shares of PWI	51,248,946.70
13 November 2015	10,000,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.0 million to 10,000,000 new ordinary shares of PWI	52,248,946.70
20 November 2015	12,500,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.25 million to 12,500,000 new ordinary shares of PWI	53,498,946.70
30 November 2015	12,500,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.25 million to 12,500,000 new ordinary shares of PWI	54,748,946.70
9 December 2015	14,851,485	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM1.5 million to 14,851,485 new ordinary shares of PWI	56,234,095.20

INFORMATION ON OUR COMPANY (CONT'D)

18 December 2015	17,094,017	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM2.0 million to 17,094,017 new ordinary shares of PWI	57,943,496.90
4 January 2016	20,161,290	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM2.5 million to 20,161,290 new ordinary shares of PWI	59,959,625.90
11 February 2016	25,000,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM2.5 million to 25,000,000 new ordinary shares of PWI	62,459,625.90
31 March 2016	30,000,000	Other than cash pursuant to the conversion on the principal amount of Redeemable Convertible Notes of RM3.0 million to 30,000,000 new ordinary shares of PWI	65,459,625.90
27 December 2016	44,000,000	cash pursuant to the private placement	69,859,625.90
20 January 2017	20,203,342	cash pursuant to the private placement	71,879,960.10
31 May 2017	211,871,030	cash pursuant to the Special Issue	93,067,063.10
6 December 2017	28,800,000	Cash pursuant to the Private Placement	175,474,182.61 ⁽¹⁾
11 January 2018	46,940,000	Cash pursuant to the Private Placement	187,209,182.61
9 February 2018	17,320,000	Cash pursuant to the Private Placement	191,365,982.61

Note:

(1) Includes RM75,927,119 of share premium

INFORMATION ON OUR COMPANY (CONT'D)

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Rights Issue will not have any effect on the substantial shareholdings' in PWI. The proforma effect of the Rights Issue on the substantial shareholder's shareholdings in PWI as at the LPD, is as follows:

Substantial shareholder	As at the LPD			After the Rights Issue		
	Direct	Indirect	Number of PWI Shares held	Direct	Indirect	Number of PWI Shares held
Lim Nyuk Foh	79,880,911	-	7.80	(2)357,212,140	-	8.72
Tan Sri	60,199,153	(1)25,424,524	5.88	240,796,612	(1)101,698,096	5.88
Puan Sri	25,424,524	(1)60,199,153	2.48	101,698,096	(1)240,796,612	2.48
Maha Gayabina	141,247,353	-	13.80	564,989,412	-	13.80

Note:

(1) Deemed interested by virtue of his/her spouse's interest pursuant to Section 8 of the Act.

(2) Assuming all his Excess Rights Shares applied for are granted.

INFORMATION ON OUR COMPANY (CONT'D)

4. DIRECTORS**4.1 Details of our Directors**

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Dr Roslan bin A. Ghaffar	156-0-05, Villa Flora, Jalan Burhanuddin Helmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur	66	Malaysian	Company Director	Independent Non-Executive Chairman
Lim Nyuk Foh	Utama Court, Ground Floor, Lot 2 Block C1, Mile 6, North Road 90000 Sandakan, Sabah	54	Malaysian	Company Director	Managing Director
Koo Jenn Man	Kg Talang Taun, Putatan 88200 Penampang Kota Kinabalu, Sabah	45	Malaysian	Company Director and Group Accountant	Executive Director
Kwan Tack Chiong	No. 29, Jalan Enak Satu, Off Jalan Kuchai Lama, Taman Gembira, 58200 Kuala Lumpur	55	Malaysian	Company Director and entrepreneur	Independent Non-Executive Director
Ooi Jit Huat	17, Jalan Jemerlang, Country Heights Damansara 60000 Kuala Lumpur	67	Malaysian	Company Director and entrepreneur	Independent Non-Executive Director

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INFORMATION ON OUR COMPANY (CONT'D)**4.2 Director's Shareholdings**

Save as disclosed below, none of our Directors held any PWI Shares as at LPD.

	As at the LPD			After the Rights Issue		
	Direct Number of PWI Shares held	%	Indirect Number of PWI Shares held	Direct Number of PWI Shares held	%	Indirect Number of PWI Shares held
Substantial shareholder Lim Nyuk Foh	79,880,911	7.80	-	(1)357,212,140	8.72	-

Note:

- (1) Assuming all his Excess Rights Shares applied for are granted.

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INFORMATION ON OUR COMPANY (CONT'D)

5. SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Company	Date and Place of incorporation	Issued share capital RM (unless otherwise stated)	Effective equity interest %	Principal activities
Our subsidiaries				
Priceworth Industries Sdn. Bhd.	11 June 1990 Malaysia	32,974,031	100	Manufacture and sale of processed wood products, trading of logs and provision of wood processing services
Maxland Dockyard & Engineering Sdn. Bhd.	28 January 1999 Malaysia	5,000,000	100	Provision of repair and maintenance services for marine vessels including tugboats and barges
Cergas Kenari Sdn. Bhd.	28 January 1999 Malaysia	1,000,000	100	Log extraction contract works
Sinora Sdn. Bhd.	13 June 1974 Malaysia	20,000,000	100	Manufacture and sale of wood products and trading of logs
Innora Sdn. Bhd.	11 April 1990 Malaysia	2,000,000	100	Manufacture and sale of wood products
Maju Sinar Network Sdn. Bhd.	10 July 2006 Malaysia	100,000	100	Log extraction contract works
Beta Bumi Sdn. Bhd.	20 July 2006 Malaysia	500,000	100	Extraction of timber and trading of logs
Harvest Element Sdn. Bhd.	12 February 2015 Malaysia	2	100	Investment holding
GSR Pte. Ltd	28 September 2016 Singapore	100 (SGD)	100	Investment Holding
Subsidiaries of Priceworth Industries Sdn. Bhd.				
Maxland Sdn. Bhd.	21 December 1982 Malaysia	10,000,000	100	Extraction and trading of timber logs, provision of barging services and undertaking of construction contract
Cabaran Cerdas Sdn. Bhd.	09 July 2002 Malaysia	2	100	Investment holding
Rimbunan Gagah Sdn. Bhd.	23 September 2005 Malaysia	250,000	100	Dormant
Subsidiaries of Maxland Dockyard & Engineering Sdn. Bhd.				
Semaring MDE JV Sdn. Bhd.	13 October 2014 Malaysia	100	60	Ceased operation
Subsidiaries of Sinora Sdn. Bhd.				
Sino Golden Star Limited	03 March 2015 Hong Kong SAR	100 (HKD)	100	Dormant
Kekal Eramaju Sdn. Bhd.	12 February 2014 Malaysia	300,000	100	Operation in extraction of timber and trading of logs

INFORMATION ON OUR COMPANY (CONT'D)

<u>Company</u>	<u>Date and Place of incorporation</u>	<u>Issued share capital</u> RM (unless otherwise stated)	<u>Effective equity interest</u> %	<u>Principal activities</u>
Subsidiaries of Maju Sinar Network Sdn. Bhd.				
Maxland Congo S.A.R.L.U	04 November 2015 Congo	100 (CFA Francs)	100	Dormant
Subsidiaries of Harvest Element Sdn. Bhd.				
Maxland Gabon S.A.R.L.U	05 January 2016 Gabon	1,000 (CFA Francs)	100	Dormant
Subsidiaries of Cabaran Cerdas Sdn. Bhd.				
Maxland (SI) Limited	21 January 2011 Solomon Islands	100 (SBD)	100	Dormant
PWP (SI) Limited	21 January 2011 Solomon Islands	100 (SBD)	100	Dormant
Ligreen (SI) Limited	10 August 2011 Solomon Islands	100 (SBD)	100	Dormant
Priceworth Sawmill (SI) Limited	30 September 2011 Solomon Islands	100 (SBD)	100	Dormant
Subsidiaries of Maxland Sdn. Bhd.				
Ligreen (PNG) Limited	18 August 2010 Papua New Guinea	100 (PGK)	100	Dormant

As at the LPD, we do not have any associate companies.

INFORMATION ON OUR COMPANY (CONT'D)

6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 30 June 2017 and our latest unaudited consolidated quarterly results for the nine (9)-month FPE 31 March 2018:

	Audited FYE 30 June			FPE 31	FPE 31
	2015	2016	2017	March 2017	March 2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	203,771	166,938	168,488	110,964	130,375
Cost of operations	(158,660)	(127,297)	(129,839)	(81,094)	(91,929)
Gross profit	45,111	39,641	38,649	29,870	38,446
Interest income	23	89	52	-	-
Other operating income	16,469	15,732	9,141	2,334	1,596
Other operating expense	(2,447)	(7,920)	(6,467)	(12)	-
Selling expense	(17,440)	(11,702)	(11,193)	(8,045)	(9,182)
Administrative expenses	(26,735)	(16,916)	(18,887)	(10,826)	(11,116)
Finance cost	(14,920)	(17,282)	(9,095)	(11,413)	(9,309)
Profit before taxation	61	1,642	2,200	1,908	10,435
Income tax expense	1,781	(721)	2,060	(264)	(136)
Profit for the financial year	1,842	921	4,260	1,644	10,299
Foreign currency translation	(359)	599	1,499	775	(750)
Other comprehensive (loss)/income for the financial year/period, net of tax	(359)	599	1,499	775	(750)
Total comprehensive income for the financial year/ period	1,483	1,520	5,759	2,419	9,549
Profit/ Loss attributable to:					
- Owners of the Company	2,389	1,170	4,275	1,644	10,299
- Non-controlling interests	(547)	(249)	(15)	-	-
	1,842	921	4,260	1,644	10,299
Total comprehensive (loss)/income attributable to:					
- Owners of the Company	2,030	1,769	5,774	2,419	9,549
- Non-controlling interests	(547)	(249)	(15)	-	-
	1,483	1,520	5,759	2,419	9,549
Weighted average number of PWI Shares in issue (000')	421,026	568,384	702,992	680,886	966,580

INFORMATION ON OUR COMPANY (CONT'D)

	Audited FYE 30 June			FPE 31	FPE 31
	2015	2016	2017	March 2017	March 2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Earnings before interest, taxation, depreciation and amortisation	57,905	52,533	39,054	36,977	38,240
Gross profit margin (%)	22.14	23.75	22.94	26.92	29.49
Net profit margin (%)	0.90	0.55	2.53	1.48	7.90
Earnings per Share (sen)					
- Basic	0.57	0.21	0.61	0.24	1.07
- Diluted	0.47	0.18	0.61	-	-
Dividends paid (RM'000)	-	-	-	-	-

Commentary on past performance:**Audited FYE 30 June 2015**

Our revenue is driven from 3 key business operations, namely:

- (i) Upstream Operations
 - income derived from sale of round logs to third parties
- (ii) Downstream Operations
 - Income derived from sales processed wood products such as plywood, sawn timber and moulded timber
- (iii) Other Operations
 - Income derived from barge hire, external third party logging contract fee, road tolls (fees imposed to users of the road infrastructure maintained by the Group), sale of vessels and services income

The round logs from our Upstream Operations are either sold to third parties or channelled towards our Downstream Operations, depending on the demand for the respective products.

For the FYE 30 June 2015, our Group recorded revenue of approximately RM203.77 million, representing an increase of RM41.63 million or 25.7% as compared to the FYE 30 June 2014 of RM162.13 million on the back of higher quantity of total logs harvested in 2015 of 210,331 cubic metres ("m³") (FYE2014: 179,408m³). Our Downstream Operations is the major contributor to our Group's revenue at 59.0%, followed by our Upstream Operations at 25.2% and Other Operations at 15.8%.

Our Upstream Operations posted revenue of RM53.40 million, representing an increase of RM24.05 million or 81.91% as compared the FYE 30 June 2014 of RM29.35 million. The higher revenue was mainly attributable to the increase in the sales volume of round logs from 54,681m³ in 2014 to 96,486m³ in FYE 30 June 2015. The increase in sales of round logs was contributed by the improvement in demand during the financial year from overseas markets, mainly from China and India.

INFORMATION ON OUR COMPANY (CONT'D)

Our Downstream Operations recorded revenue of RM120.31 million, representing a reduction of RM3.31 million or 2.68% as compared to the FYE 30 June 2014 of RM123.62 million. The decline is mainly due to the reduction in rounds logs channelled to our Downstream Operations resulting in a decrease in volume of processed wood for sale from 77,715m³ in 2014 to 73,563 m³ in 2015. Instead, the round logs were channelled towards our Upstream Operations to cater for the demand from overseas.

Our Other Operations posted a revenue of RM30.06 million, representing an increase of RM20.9 million or 228% as compared to the FYE 30 June 2014 of RM9.16 million. The higher revenue was mainly attributable to the increase in contract fee derived from third party logging contracts which are typically one-off contracts. Services income from the production of veneer for third parties also contributed to the increase in revenue for the financial year.

Our Group recorded a PAT of approximately RM1.84 million as compared to LAT of RM13.26 million for the FYE 30 June 2014. The increase in PAT was mainly due to the following:-

- (i) increase in production volume of our logs; and
- (ii) increase in the selling price of our products such as round logs, sawn timber and plywood, buoyed by the strengthening of the USD from an average of RM3.24 : USD1 in FYE 2014 to RM3.46 : USD1 in FYE 2015 as our products are transacted in USD.

Audited FYE 30 June 2016

For the FYE 30 June 2016, our Group recorded revenue of approximately RM166.94 million, representing a decrease of RM36.83 million or 18.1% as compared to FYE 30 June 2015 of RM203.77 million. Our Downstream Operations continues to be the major contributor to our Group's revenue at 75.8%, followed by Other Operations at 14.7% and Upstream Operations at 9.5%.

Our Upstream Operations generated a revenue of RM15.92 million, representing a decrease of RM37.48 million or 70.2% as compared to the FYE 30 June 2015 of RM53.4 million. The decline in revenue was mainly due to slowdown of our logging operations in Solomon Island as our concession period reaches completion. The cessation date for the logging activities in the said country was fixed on 31 March 2017. This had resulted in the decrease of our round logs production from 210,331m³ in 2015 to 155,539m³ in 2016.

Our Downstream Operations recorded a revenue of RM126.47 million, representing an increase of RM6.16 million or 5.12% as compared to FYE 30 June 2015 of RM120.31 million, despite a decrease in sales volume from 73,563m³ in 30 June 2015 to 71,101m³ in 30 June 2016. The increase in revenue was mainly attributable to the strengthening of USD from an average of RM3.65 : USD1 in FYE 2015 to RM3.98 : USD1 in FYE 2016.

Our Other Operations recorded a revenue of RM24.55 million, representing a decrease of RM5.51 million or 18.3% as compared to the FYE 30 June 2015 of RM30.06 million. The reduction was mainly due to reduction in external logging contracts secured during the year.

Our Group recorded a PAT of RM0.92 million as compared to a PAT of RM1.84 million for the FYE 30 June 2015. The lower PAT recorded was mainly attributable to the following factors:-

- (i) lower revenue generated as our production volume decreased from 210,331 m³ in 2015 to 155,539 m³ in 2016;
- (ii) impairment losses of approximately RM7.80 million arising from impairment of the camp infrastructure in Solomon Islands; and
- (iii) increase of deferred tax liabilities by RM2.5 million arising from the temporary timing difference in tax treatment of our Group's fixed assets as advised by our tax consultant.

INFORMATION ON OUR COMPANY (CONT'D)

Audited FYE 30 June 2017

For the FYE 30 June 2017, our Group recorded revenue of approximately RM168.49 million, representing an increase of approximately RM1.55 million or 0.9% as compared to the FYE 31 December 2016 of RM166.94 million. Our Downstream Operations continued to be the major contributor to our Group's revenue at 65.0%, followed by Upstream Operations at 21.2% and Other Operations at 13.8%.

Our Upstream Operations generated a revenue of RM35.71 million, representing an increase of RM19.79 million or 124.3% as compared to the FYE 30 June 2016 of RM15.92 million. The increase in revenue was primarily driven by the following:

- (i) increase in sales volume of round logs from 28,942m³ in 2016 to 65,711m³ in 2017; and
- (ii) strengthening of the USD from an average of RM3.98 : USD1 in FYE 2016 to RM4.31 : USD1 in FYE 2017.

Our Downstream Operations recorded a revenue of RM109.47 million, representing a reduction of RM17.0 million or 13.44% as compared to the FYE 30 June 2016 of RM126.47 million. The reduction was mainly due to decrease in volume of processed wood from 71,101m³ in 2016 to 63,257m³ in 2017, in line with our Group's strategy to emphasise on sale of round logs as higher proportion of logs extracted during the year were of export grade logs.

Our Other Operations posted a revenue of RM23.31 million, representing a decrease of RM1.24 million or 5.06% as compared to the FYE 30 June 2016 of RM24.55 million. The decrease in revenue was mainly attributed to reduction in external logging contracts secured for the financial year. However, the decrease was partially offset by the increase in short-term service contracts received from third party veneer producers during the year.

Our Group recorded a PAT of RM4.26 million for the FYE 30 June 2017 as compared to a PAT of RM0.92 million for the FYE 30 June 2016. The higher PAT recorded was mainly attributable to:

- (i) repayment of term loan amounting to RM33.0 million and finance leases of RM6.0 million which resulted in reduction of finance cost; and
- (ii) reduction of deferred tax liabilities by RM2.1 million arising from the temporary timing difference in tax treatment of our Group's fixed assets as advised by our tax consultant.

Unaudited 9-months FPE 31 March 2018

For the unaudited 9-months FPE 31 March 2018 ("**FPE 2018**"), our Group posted revenue of RM130.38 million, representing an increase of RM19.4 million or 17.5% as compared to the unaudited 9-months FPE 31 March 2017 ("**FPE 2017**"), of RM110.97 million. Our Downstream Operations continued to be the major contributor to our Group's revenue at 69.0%, followed by our Upstream Operations at 18.0% and Other Operations at 13.0%.

Our Upstream Operations generated a revenue of RM23.57 million, representing an increase of RM6.42 million or 37.4% compared to the corresponding period of RM17.15 million. The increase in revenue was due to increase in the sales volume of round logs from 32,283m³ for the FPE 2017 to 45,620m³ for the FPE 2018. The increase in sales volume of round logs was attributable to the commencement of our logging activities from 1 September 2017 at Compartment 57 and Compartment 58 of the ITP area in FMU5 pursuant to the Log Extraction and Timber Sale Agreement.

INFORMATION ON OUR COMPANY (CONT'D)

Our Downstream Operations generated a revenue of RM86.32 million, representing an increase of RM9.12 million or 11.81% as compared to the corresponding period of RM77.2 million. The increase was attributable to higher production of plywoods from 37,998m³ in FPE 2017 to 43,315m³ in FPE 2018 due to increased orders from Japan and additional logs supplied from the FMU5 concession area.

Our Other Operations recorded a revenue of RM29.9 million, representing an increase of RM6.6 million or 28.3% as compared to the corresponding period of RM23.3 million. The increase in revenue was mainly attributed to the increase in external logging contracts secured for the financial period.

Our Group posted higher PAT of RM10.4 million as compared to the corresponding period of RM1.9 million. The higher PAT recorded for the period was attributable to increased logging activities pursuant to the Log Extraction and Timber Sale Agreement from FMU5 and increased sales from our Downstream Operations as stated above.

(Source: Management)

7. HISTORICAL PRICES

The monthly high and low market price of PWI Shares as traded on the Main Market of Bursa Securities for the past 12 months from July 2017 to June 2018 are as follows:

	High RM	Low RM
2017		
July	0.275	0.240
August	0.250	0.200
September	0.270	0.220
October	0.280	0.245
November	0.255	0.230
December	0.260	0.220
2018		
January	0.325	0.250
February	0.275	0.220
March	0.270	0.170
April	0.230	0.145
May	0.290	0.150
June	0.260	0.220

Last transacted market price of PWI Shares on 18 October, being the last trading day prior to the date of the announcement of the Rights Issue and Proposed Acquisition on 19 October 2016

0.130

Last transacted market price of PWI Shares as at the LPD

0.245

The last transacted price of PWI Shares on 17 July 2018, being the day prior to the ex-date of the Rights Issue

0.215

(Source: Bloomberg)

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

PKF

(AF 0911)

PKF

Accountants &
business advisers

The Board of Directors

Priceworth International Berhad

1st Floor, Lot 5, Block No. 4, Bandar Indah, Mile 4, Jalan Utara
90732 Sandakan, Sabah

Dear Sirs,

**PRICEWORTH INTERNATIONAL BERHAD ("PWI" OR "THE COMPANY")
REPORTING ACCOUNTANTS' LETTER ON PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 30 JUNE 2017 FOR INCLUSION IN THE ABRIDGED PROSPECTUS
TO BE ISSUED TO THE SHAREHOLDERS OF PWI IN RELATION TO THE RIGHTS ISSUE
("ABRIDGED PROSPECTUS")**

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of PWI and its subsidiaries (collectively referred to as ("**PWI Group**" or "**the Group**") prepared by the Board of Directors of PWI ("**Directors**") in relation to the renounceable rights issue of 2,047,461,262 new ordinary shares in the Company ("**PWI Share(s)**") ("**Rights Share(s)**") at an issue price of RM0.05 per Rights Share, together with a bonus issue of 1,023,730,631 new PWI Shares ("**Bonus Share(s)**") to be credited as fully paid-up on the basis of two (2) Rights Shares for every one (1) existing PWI Share held and one (1) bonus share for every two (2) Rights Shares ("**Rights Issue**").

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in **Appendix 1**. The Pro Forma Consolidated Statements of Financial Position has been compiled by the Directors to illustrate the impact of the events or transactions set out in **Appendix 1** on the Group's financial position as at 30 June 2017 as if the events or transactions had taken place as at 30 June 2017. As part of this process, information about the financial position has been extracted by the Directors from the financial statements of the Group for the year ended 30 June 2017, on which an audit report has been published.

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

Our responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, approved by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

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PKF Malaysia is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Our responsibilities (continued)

The purpose of the Pro Forma Consolidated Statements of Financial Position is solely to illustrate the impact of the events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depends on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- (i) the Pro Forma Consolidated Statements of Financial Position of PWI Group as at 30 June 2017, which are prepared for illustrative purposes only, have been properly compiled on the bases and assumptions set out in the accompanying notes to the said Pro Forma Consolidated Statements of Financial Position.
- (ii) the bases are consistent with the accounting policies normally adopted by PWI Group in the preparation of its audited consolidated financial statements; and
- (iii) the adjustments made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position of the Group are appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

Other matter

This letter has been prepared solely for the purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue. As such, this letter should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.



PKF
AF 0911
CHARTERED ACCOUNTANTS

Kota Kinabalu

Dated 4 July 2018



CHAU MAN KIT
02525/03/2020 J
CHARTERED ACCOUNTANT

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Priceworth International Berhad **Appendix 1**
 (Co. No. 399292-V)
 (Incorporated in Malaysia)

Consolidated statement of financial position as at 30 June 2017

	Notes	Audited Statement of Financial Position As At 30 June 2017 RM	Proforma 1 After Subsequent Events RM	Proforma 2 After (1) and Rights Issue RM
Non-current assets				
Property, plant and equipment		225,414,522	225,414,522	225,414,522
Land use rights		13,494,162	13,494,162	13,494,162
Intangible assets		33,681,780	46,681,780	46,681,780
Biological assets		99,969,394	99,969,394	99,969,394
Deferred tax assets		14,159,000	14,159,000	14,159,000
		<u>386,718,858</u>	<u>399,718,858</u>	<u>399,718,858</u>
Current assets				
Inventories		40,769,578	40,769,578	40,769,578
Trade and non-trade receivables		87,722,139	87,722,139	87,722,139
Tax recoverable		9,868	9,868	9,868
Cash and bank balances	4.1	974,666	13,361,546	13,364,609
		<u>129,476,251</u>	<u>141,863,131</u>	<u>141,866,194</u>
TOTAL ASSETS		<u>516,195,109</u>	<u>541,581,989</u>	<u>541,585,052</u>
Equity and liabilities				
Current liabilities				
Loans and borrowings		45,842,522	45,842,522	45,842,522
Trade and non-trade payables		53,340,746	53,340,746	53,340,746
Taxation		124,188	124,188	124,188
		<u>99,307,456</u>	<u>99,307,456</u>	<u>99,307,456</u>
NET CURRENT ASSETS		<u>30,168,795</u>	<u>42,555,675</u>	<u>42,558,738</u>
Non-current liabilities				
Loans and borrowings		87,701,051	87,701,051	7,701,051
Deferred tax liabilities		21,625,155	21,625,155	21,625,155
		<u>109,326,206</u>	<u>109,326,206</u>	<u>29,326,206</u>
TOTAL LIABILITIES		<u>208,633,662</u>	<u>208,633,662</u>	<u>128,633,662</u>
NET ASSETS		<u>307,561,447</u>	<u>332,948,327</u>	<u>412,951,390</u>

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Priceworth International Berhad
(Co. No. 399292-V)
(Incorporated in Malaysia)

Appendix 1

Consolidated statement of financial position as at 30 June 2017 (continued)

	Notes	Statement of Financial Position As At 30 June 2017 RM	After Subsequent Events RM	After (1) and Rights Issue RM
Equity attributable to owners of the Company				
Share capital	4.2	168,994,182	191,365,982	368,250,293
Reserves	4.2	138,945,167	141,960,247	45,078,999
<i>Treasury shares</i>		<i>(10,324,612)</i>	<i>-</i>	<i>-</i>
<i>Foreign currency translation reserve</i>		<i>1,573,950</i>	<i>1,573,950</i>	<i>1,573,950</i>
<i>Capital redemption reserve</i>		<i>74,511,248</i>	<i>74,511,248</i>	<i>-</i>
<i>Retained profits</i>		<i>73,184,581</i>	<i>65,875,049</i>	<i>43,505,049</i>
		307,939,349	333,326,229	413,329,292
<i>Non-controlling interest</i>		<i>(377,902)</i>	<i>(377,902)</i>	<i>(377,902)</i>
Total Equity		307,561,447	332,948,327	412,951,390
TOTAL EQUITY AND LIABILITIES		516,195,109	541,581,989	541,585,052
Number of PWI shares	4.2	930,670,631	1,023,730,631	4,094,922,524
Number of treasury shares		(12,562,832)	-	-
No. of PWI shares net of treasury shares		918,107,799	1,023,730,631	4,094,922,524
NA per Share (RM)		0.33	0.33	0.10
Total borrowings		133,543,573	133,543,573	53,543,573
Gearing (times)		0.43	0.40	0.13

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Priceworth International Berhad
(Co. No. 399292-V)
(Incorporated in Malaysia)

Appendix 1

Notes to the Pro Forma Consolidated Statements of Financial Position as at 30 June 2017

1. Basis of preparation

- 1.1. The Pro Forma Consolidated Statements of Financial Position of PWI as at 30 June 2017, has been compiled by Board of Directors of PWI ("**Directors**") for illustrative purposes only, for inclusion in the Abridged Prospectus to shareholders and for no other purpose, in relation to the renounceable rights issue of 2,047,461,262 new ordinary shares in the Company ("**PWI Share(s)**") ("**Rights Share(s)**") at an issue price of RM0.05 per Rights Share, together with a bonus issue of 1,023,730,631 new PWI Shares ("**Bonus Share(s)**") to be credited as fully paid-up on the basis of two (2) Rights Shares for every one (1) existing PWI Share held and one (1) bonus share for every two (2) Rights Shares.

1.2. Subsequent Events

The following events occurred after 30 June 2017, up to 22 June 2018:

- the disposal of the entire 12,562,832 treasury shares with the carrying amount of RM10,324,612 held by PWI at a consideration of RM0.24 per share, which generated proceed of RM3,015,080 and incurred loss on disposal of RM7,309,532;
 - the total payment of RM13,000,000 made in relation to the deposit for the proposed acquisition of timber and replanting rights on a forest reserve area comprising 101,161 hectares in Trus Madi, Sabah known as Forest Management Unit No 5 ("**FMU5**") by the Company's wholly owned subsidiary, GSR Pte Ltd ("**GSR**"), at a purchase consideration of RM260,000,000 ("**Proposed Acquisition**").
 - the issuance of 93,060,000 new ordinary shares ("**Private Placement**"), generating proceeds totalling RM22,371,800, which were completed on 6 February 2018.
- 1.3. The Pro Forma Consolidated Statements of Financial Position of the Group have been properly compiled using the audited consolidated financial statements of the Group as at 30 June 2017, which are prepared in accordance with Financial Reporting Standards ("**FRS**") and the requirements of the Companies Act, 2016 in Malaysia. The Pro Forma Consolidated Statements of Financial Position of the Group have been prepared to show the effects of the Rights Issue and the Subsequent Events, for illustrative purposes only, had the Rights Issue and the Subsequent Events taken place as at 30 June 2017.

2. Pro forma adjustments

2.1. Pro forma 1 - After the Subsequent Events

Pro Forma 1 incorporates the effects of the Subsequent Events.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

2. Pro forma adjustments (continued)

2.2. Pro forma 2 – After the Subsequent Events; and

Pro Forma 2 incorporates the cumulative effects of Pro Forma 1 and the effect of:

- the full subscription and issuance of 2,047,461,262 Rights Shares on the basis of two (2) Rights Share for every one (1) existing PWI Share, together with the issuance of 1,023,730,631 Bonus Shares on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed, at an issue price of RM0.05 for each Rights Share to be payable in cash on application;
- the repayment of bank borrowings totalling RM80,000,000;
- the estimated expenses in relation to the Proposed Acquisition and Rights Issue as tabled in 2.3; and
- the payment made in relation to the working capital for FMU 5 as tabled in 2.3.

The full subscription and issuance of the rights share together with bonus share would give rise to an increase in the issued share capital of PWI by RM176,884,311 and generate total gross cash proceeds of RM102,373,063.

The total proceeds arising from the Rights Issue and Private Placement will be included in the cash and bank balances account, while the repayment of borrowings, payment of remaining estimated expenses relating to proposed corporate exercise and working capital for FMU 5 amounting to RM80,000,000, RM5,500,000 and RM16,870,000 respectively, will be reflected as an outflow in the cash and bank balances account, as tabled in 2.3.

2.3 Utilisation of Proceeds

The proceeds from Rights Shares are expected to be utilised in the following manner:

	RM
Repayment of bank borrowings	80,000,000
Working capital for FMU5	16,870,000
Estimated expenses relating to Rights Issue and Proposed Acquisition	5,500,000
	<u>102,370,000</u>

3. Cumulative effects of the Rights Issue

The cumulative effects of the Rights Issue to the Pro Forma Consolidated Statements of Financial Position are as follows:

	Cash and bank RM	Total borrowings RM	Intangible assets RM	Share capital RM	Reserves RM	Non-controlling interest RM
Balance at 30 June 2017	974,666	133,543,573	33,681,780	168,994,182	138,945,167	(377,902)
Disposal of treasury shares	3,015,080	-	-	-	3,015,080	-
Part payment for FMU 5	(13,000,000)	-	13,000,000	-	-	-
Completion of private placement	22,371,800	-	-	22,371,800	-	-
	<u>12,386,880</u>	<u>-</u>	<u>13,000,000</u>	<u>22,371,800</u>	<u>3,015,080</u>	<u>-</u>
Pro forma 1	13,361,546	133,543,573	46,681,780	191,365,982	141,960,247	(377,902)
Rights Issue	102,373,063	-	-	176,884,311	(74,511,248)	-
Repayment of bank borrowings	(80,000,000)	(80,000,000)	-	-	-	-
Estimated expenses	(5,500,000)	-	-	-	(5,500,000)	-
Working capital for FMU 5	(16,870,000)	-	-	-	(16,870,000)	-
	<u>3,063</u>	<u>(80,000,000)</u>	<u>-</u>	<u>176,884,311</u>	<u>(96,881,248)</u>	<u>-</u>
Pro forma 2	13,364,609	53,543,573	46,681,780	368,250,293	45,078,999	(377,902)

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

4. Movements in cash and bank balances, share capital and reserves

4.1 Cash and bank balances

The movement in the Group's cash and bank balances are as follows:

	Group RM
As at 30 June 2017	974,666
Disposal of Treasury shares	3,015,080
Part payment for FMU 5	(13,000,000)
Completion of private placement	22,371,800
As per Pro Forma 1	13,361,546
Arising from Rights Issue	102,373,063
Repayment of bank borrowings	(80,000,000)
Estimated expenses for the Rights Issue and Proposed Acquisition	(5,500,000)
Working capital for FMU 5	(16,870,000)
As per Pro forma 2	13,364,609

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

4.2 Share capital and reserves

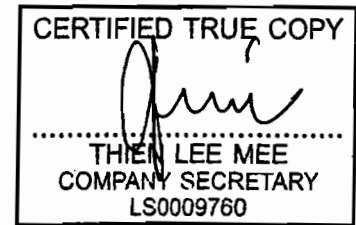
The movements in the Group's issued share capital and reserves are summarised as follows:

	Share Capital No	Share Capital RM	Share Premium (Part of share capital) ⁽¹⁾ RM	Total of share capital under CA2016 RM	Treasury Shares RM	Foreign Currency Translation Reserve RM	Capital Redemption Reserve RM	Retained Profits RM	Non- controlling Interest RM
As at 30 June 2017									
Disposal of Treasury Shares	930,670,631	93,067,063	75,927,119	168,994,182	(10,324,612)	1,573,950	74,511,248	73,184,581	(377,902)
Loss on disposal of treasury shares	-	-	-	-	3,015,080	-	-	-	-
Completion of private placement	93,060,000	22,371,800	-	22,371,800	7,309,532	-	-	(7,309,532)	-
As per Pro Forma 1									
Arising from the Rights Issue ⁽²⁾	1,023,730,631	115,438,863	75,927,119	191,365,982	-	1,573,950	74,511,248	65,875,049	(377,902)
Estimated expenses to be incurred for the Rights Issue and Proposed Acquisition Working capital for FMU 5	3,071,191,893	204,746,126	(27,861,815)	176,884,311	-	-	(74,511,248)	-	-
As per Pro Forma 2									
	4,094,922,524	320,184,989	48,065,304	368,250,293	-	1,573,950	-	43,505,049	(377,902)

(1) Pursuant to the transitional provision under the Companies Act, 2016, the sum of RM75,927,119 standing to the credit of the share premium account has been reclassified and become part of the share capital as reflected in the audited financial statements 30 June 2017. However, such amount may within twenty four (24) months from 31 January 2017 be utilised in the manner as allowed under the Companies Act, 2016.

(2) Issuance of 2,047,461,262 Rights Share at RM0.05 and 1,023,730,631 Bonus Shares at RM0.10 each.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON



07 JUN 2018

Priceworth International Berhad
(Co. No. 399292 - V)
(Incorporated in Malaysia)

Reports and Financial Statements
For The Financial Year Ended
30 June 2017
(In Ringgit Malaysia)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD
 (Co. No. 399292 - V)
 (Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 17 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year ended 30 June 2017.

Results	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	4,275,660	30,067,408
Non-controlling interests	(15,122)	-
	<u>4,260,538</u>	<u>30,067,408</u>
Total comprehensive income for the financial year attributable to:		
Owners of the Company	5,774,966	30,067,408
Non-controlling interests	(15,122)	-
	<u>5,759,844</u>	<u>30,067,408</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

Dividends

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend any dividends for the current financial year ended 30 June 2017.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)
(Incorporated in Malaysia)

DIRECTORS' REPORT

Directors

Directors who served since the date of the last report are:

Lim Nyuk Foh
Koo Jenn Man
Kwan Tack Chiong
Ooi Jit Huat
Dr. Roslan Bin A Ghaffar (Appointed on 28 February 2017)
Dato' Sri Chee Hong Leong (Retired on 30 November 2016)

The names of Directors of subsidiaries are set out in the respective subsidiary's statutory accounts and the said information is deemed incorporated herein by such reference and made a part hereof.

Directors' interests in shares

The holdings and deemed holdings in the ordinary shares and warrants of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares of RM0.10* each			At 30.6.2017
	At 1.7.2016	Bought	Sold	
Direct interest:				
Lim Nyuk Foh	68,322,511	11,558,400	-	79,880,911
Koo Jenn Man	510	-	-	510

* Upon the date the Companies Act, 2016 became effective on 31 January 2017, the ordinary shares do not have any par value.

Lim Nyuk Foh and Koo Jenn Man by virtue of their interests in shares and warrants in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares and warrants of the Company and its related corporations.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 29 to the Financial Statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)
PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)
(Incorporated in Malaysia)

DIRECTORS' REPORT
Directors' Remuneration

Details of Directors' remuneration as required by the Fifth Schedule of the Companies Act, 2016 in Malaysia are set out in Note 10 to the financial statements.

Indemnity and Insurance for Directors and Officers

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company for the financial year ended 30 June 2017 was RM16,600.

Issues of shares and debentures

During the financial year, the Company increased its issued and paid-up share capital from 654,596,259 ordinary shares to 930,670,631 ordinary shares by way of issuance of 276,074,372 ordinary shares of RM0.10 each by way of private placement and special issue converted at the following conversion price per ordinary share:

(i) Private placement

Conversion Date	Number of Ordinary Shares in units	Conversion Price per Ordinary Share RM	Total RM
29 December 2016	44,000,000	0.105	4,620,000
23 January 2017	20,203,342	0.100	2,020,334
	<u>64,203,342</u>		<u>6,640,334</u>

(ii) Special issue

Conversion Date	Number of Ordinary Shares in units	Conversion Price per Ordinary Share RM	Total RM
1 June 2017	211,871,030	0.100	21,187,103

The new ordinary shares of RM0.10 each issued during the financial year rank *pari passu* in all aspects with the new ordinary shares of the Company, except that the conversion shares issued by the Company to the subscriber upon conversion will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the conversion shares.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

DIRECTORS' REPORT**Private placement**

During the annual general meeting held during the financial year ended 30 November 2016, the Company's shareholders approved the issuance of private placement of up to 64,203,342 new ordinary shares of RM0.10 each, representing up to 10% of the existing issued and paid up share capital of the Company at a conversion price to be determined either by the floating conversion price.

The placement shares will be placed to third party investors to be identified at a later date, where such investor(s) shall be person(s) who/which qualify under Schedule 7 of the Capital Market and Services Act, 2007 ("CMSA"). In accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Securities, the placement shares will not be placed to the following parties:

- (i) A Director, major shareholder or chief executive of the Company ("Interested Person"); or
- (ii) A person connected with an Interested Person; and
- (iii) Nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The conversion price shall be determined based on the five (5)-day volume weighted average market price (VWAP) of the Company immediately prior to the price-fixing date to be determined later after obtaining all the relevant approvals for the private placement. The placement price will not be priced at more than 10% to the five (5)-day VWAP of the shares of the Company immediately prior to the price fixing date.

The conversion shares to be issued arising from the conversion of the shares will, upon allotment and issuance, rank *pari passu* in all aspects with the new ordinary shares of the Company, save and except that the conversion shares issued by the Company to the subscriber upon conversion will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the conversion shares.

Special issue

The Company has on 8 October 2016 and 19 October 2016 approved and announced the corporate proposals relating to the special issue, representing approximately 20% of the enlarged issued and paid-up share capital of the Company to third party investors to be identified later. The Proposed Special Issue is not expected to be implemented in tranches and are to be issued at an issue price of RM0.10 per special issue shares to be satisfied in cash.

In accordance with Paragraph 6.04(c) of the Listing Requirements, the special issue shares will not be placed to the following parties:

- (i) Interested Person; or
- (ii) A person connected with an Interested Person; and
- (iii) Nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PRICEWORTH INTERNATIONAL BERHAD**

(Co. No. 399292 - V)

(Incorporated in Malaysia)

DIRECTORS' REPORT**Special issue (continued)**

The proposed special issue will not require any prospectus to be issued should the issuance of the special issue shares falls under the relevant categories prescribed under Schedule 7 of the CMSA which includes inter-alia, the issuance where the purchase consideration is not less than RM250,000 and the issuance is made to high net worth individual whose personal net worth exceed RM3,000,000 or corporations with net assets exceeding RM10,000,000.

The conversion shares to be issued arising from the conversion of the shares will, upon allotment and issuance, rank *pari passu* in all aspects with the new ordinary shares of the Company, save and except that the conversion shares issued by the Company to the subscriber upon conversion will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the conversion shares.

Treasury shares

As at 30 June 2017, the Company held as treasury shares a total of 12,562,832 of its 930,670,631 issued ordinary shares. Such treasury shares are held at a carrying amount of RM10,324,612 and further relevant details are disclosed in Note 24 to the financial statements.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PRICEWORTH INTERNATIONAL BERHAD**

(Co. No. 399292 - V)
(Incorporated in Malaysia)

DIRECTORS' REPORT**Other statutory information (continued)**

As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, except as disclosed in Notes 14, 15, 16 and 23 to the financial statements; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2017 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Significant changes in regulatory requirements

On 31 August 2016, the Companies Bill 2015 received Royal Assent and was gazetted as the Companies Act 2016 ("CA 2016"). Subsequent to the Company's financial year end, the Registrar of the Companies Commission of Malaysia announced that CA 2016 would be implemented on a staggered basis with the first phase to be effective on 31 January 2017. With the enforcement of the first phase of the CA 2016, the Companies Act 1965 ("CA 1965") is repealed. Notwithstanding the repeal of CA 1965, the transitional provisions under the CA 2016 stipulate that obligations in respect of the CA 1965 shall not be affected with the implementation of the CA 2016 but shall continue to remain in force.

Significant events during the financial year

Details of significant events after the reporting period are disclosed in Note 34 to the financial statements.

Event after the reporting period

Details of significant event after the reporting period are disclosed in Note 35 to the financial statements.

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.


Details of Auditors' remuneration are set out in Note 8 to the financial statements.


AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)

DIRECTORS' REPORT

Signed on behalf of the Board
in accordance with a resolution of the Directors,


LIM NYUK EOH
Director


KOO JENN MAN
Director

Sandakan

Dated 3 October 2017

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

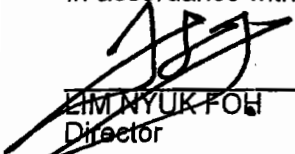
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**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

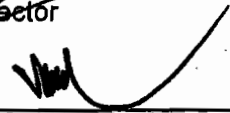
In the opinion of the Directors, the accompanying financial statements set out on pages 16 to 99 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 36 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board
in accordance with a resolution of the Directors,



LIM NYUK FOH
Director



KOO JENN MAN
Director

Sandakan

Dated 3 October 2017

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016**

I, KOO JENN MAN, being the Director primarily responsible for the financial management of PRICEWORTH INTERNATIONAL BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 16 to 99 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed KOO JENN MAN
at Sandakan in the state of Sabah
on 3 October 2017

)
)



KOO JENN MAN

Before me,

Lot 5, Blok 25, Tingkat Bawah,
Bandar Indah, Batu 4, Jalan Labuk
90009 Sandakan.

COMMISSIONER FOR OATHS



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PKF**

(AF 0911)

PKFAccountants &
business advisers**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRICEWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)****REPORT ON THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of PRICEWORTH INTERNATIONAL BERHAD, which comprise the Statements of Financial Position as at 30 June 2017 of the Group and of the Company, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 99.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)



Accountants & business advisers

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRICWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)**

(continued)

Key Audit Matters (continued)

Area of focus	How our audit addressed the key audit matter
<p>Impairment of property, plant and equipment, biological assets and timber rights</p> <p>While the Group was profitable, as highlighted in Note 33, the shipyard operating segment with total assets of RM6,633,357 was loss making, incurring a total loss of RM6,001,347 for the financial year ended 30 June 2017.</p> <p>There are impairment indicators due to its history of losses.</p> <p>Additionally, the Group has substantial biological assets and timber rights (included within intangible assets), valued at RM99,969,394 and RM18,514,113 respectively.</p> <p>These assets were tested for impairment, and for which the recoverable amount is based on value in use ("VIU") using the discounted cash flow ("DCF") model, which is subject to numerous underlying assumptions that are subject to significant uncertainties and therefore considered a matter of most significance.</p>	<p>We obtained the Group's impairment review performed for the loss making operating segment, biological assets and timber rights, relating to its subsidiary companies, Maxland Dockyard & Engineering Sdn. Bhd., Maxland Sdn. Bhd. and Beta Bumi Sdn. Bhd. respectively.</p> <p>We reviewed the recoverable amount which is based on the respective VIU using the DCF model and performed the following:</p> <ul style="list-style-type: none"> • Reviewed the assumptions underlying the future cash flows of the abovementioned companies; • Tested the mathematical accuracy of the VIU calculations; • Assessed the reasonableness of the discount rate applied by the Directors; and • Reviewed sensitivity of key variables.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PKF

Accountants &
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRICEWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)**

(continued)

Key Audit Matters (continued)

Area of focus	How our audit addressed the key audit matter
<p>Recognition of deferred tax assets</p> <p>As disclosed in Note 19, the Group has recognised deferred tax assets in respect of certain entities to the extent that it is probable that historical assessed tax losses will be realised. This requires management judgement in estimating future taxable income and is accordingly a key audit matter.</p> <p>The recoverability of recognised deferred tax assets is in part dependent on the Group's ability to generate future taxable profits sufficient to utilise deductible temporary differences and tax losses.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our procedures in relation to management's assessment about the recoverability of deferred tax assets included evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax assets by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts.</p>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PKF**Accountants &
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TO THE MEMBERS OF PRICEWORTH INTERNATIONAL BERHAD**(Co. No. 399292 - V)
(Incorporated in Malaysia)

(continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PKF**Accountants &
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(Co. No. 399292 - V)
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(continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PKF**Accountants &
business advisers**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRICEWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)**

(continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia ("the Act"), we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements as GSR Pte Ltd is audited by other auditors, unless no audited accounts were provided to us and we have performed sufficient procedures on figures reported by that company.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 266(3) of the Act.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PKF

Accountants &
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRICEWORTH INTERNATIONAL BERHAD
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(continued)

Other Reporting Responsibilities

The supplementary information set out in Note 36 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.



PKF
AF 0911
CHARTERED ACCOUNTANTS

Kota Kinabalu

Dated 3 October 2017



CHAU MAN KIT
2525/03/18(J/PH)
CHARTERED ACCOUNTANT

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Revenue	4	168,488,398	166,938,291	40,000,000	40,000,000
Cost of sales		(129,838,930)	(127,297,067)	-	-
Gross profit		38,649,468	39,641,224	40,000,000	40,000,000
Interest income	5	51,683	88,927	51,515	67,876
Other operating income	6	9,141,452	15,731,833	25,410	-
Other operating expenses	7	(6,466,670)	(7,920,348)	-	-
Selling expenses		(11,193,465)	(11,702,530)	-	-
Administrative expenses		(18,887,325)	(16,916,032)	(2,380,970)	(890,632)
Profit from operations	8	11,295,143	18,923,074	37,695,955	39,177,244
Finance costs	11	(9,094,772)	(17,281,985)	(7,600,582)	(13,384,755)
Profit before taxation		2,200,371	1,641,089	30,095,373	25,792,489
Income tax expense	12	2,060,167	(720,562)	(27,965)	-
Profit for the financial year		4,260,538	920,527	30,067,408	25,792,489
Other comprehensive Income					
Foreign currency translation		1,499,306	598,650	-	-
Other comprehensive income for the financial year, net of tax		1,499,306	598,650	-	-
Total comprehensive income for the financial year		5,759,844	1,519,177	30,067,408	25,792,489
Profit attributable to:					
Owners of the Company		4,275,660	1,169,834	30,067,408	25,792,489
Non-controlling interests		(15,122)	(249,307)	-	-
		4,260,538	920,527	30,067,407	25,792,489
Total comprehensive income attributable to:					
Owners of the Company		5,774,966	1,768,484	30,067,408	25,792,489
Non-controlling interests		(15,122)	(249,307)	-	-
		5,759,844	1,519,177	30,067,408	25,792,489
Earnings per share attributable to owners of the Company (sen per share)					
Basic	13	0.6	0.2		
Diluted	13	0.6	0.2		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

ASSETS	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Non-current assets					
Property, plant and equipment	14	225,414,522	246,942,992	37	37
Land use rights	15	13,494,162	13,761,722	-	-
Intangible assets	16	33,681,780	36,888,990	-	-
Investments in subsidiary companies	17	-	-	303,427,941	303,427,636
Biological assets	18	99,969,394	80,902,235	-	-
Deferred tax assets	19	14,159,000	14,159,000	-	-
		<u>386,718,858</u>	<u>392,654,939</u>	<u>303,427,978</u>	<u>303,427,673</u>
Current assets					
Inventories	20	40,769,578	40,540,755	-	-
Trade and non-trade receivables	21	87,722,139	72,528,276	1,086,758	41,416
Amounts due from subsidiary companies	22	-	-	90,098,064	66,000,949
Tax recoverable		9,868	18,942	-	-
Cash and bank balances	23	974,666	12,719,528	27,811	3,584,130
		<u>129,476,251</u>	<u>125,807,501</u>	<u>91,212,633</u>	<u>69,626,495</u>
TOTAL ASSETS		<u>516,195,109</u>	<u>518,462,440</u>	<u>394,640,611</u>	<u>373,054,168</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24	168,994,182	65,459,626	168,994,182	65,459,626
Share premium	24	-	76,033,947	-	76,033,947
Treasury shares	24	(10,324,612)	(10,324,612)	(10,324,612)	(10,324,612)
Other reserves	25	76,085,198	74,585,892	74,511,248	74,511,248
Retained profits	26	73,184,581	69,018,944	60,689,946	30,622,538
		<u>307,939,349</u>	<u>274,773,797</u>	<u>293,870,764</u>	<u>236,302,747</u>
Non-controlling interests		(377,902)	(222,803)	-	-
Total equity		<u>307,561,447</u>	<u>274,550,994</u>	<u>293,870,764</u>	<u>236,302,747</u>
Non-current liabilities					
Loans and borrowings	27	87,701,051	23,211,725	69,087,223	-
Deferred tax liabilities	19	21,625,155	23,776,673	-	-
		<u>109,326,206</u>	<u>46,988,398</u>	<u>69,097,223</u>	<u>-</u>
Current liabilities					
Loans and borrowings	27	45,842,522	139,449,424	30,818,920	134,089,879
Trade and non-trade payables	28	53,340,746	57,420,177	851,856	2,661,542
Taxation		124,188	53,447	11,848	-
		<u>99,307,456</u>	<u>196,923,048</u>	<u>31,682,624</u>	<u>136,751,421</u>
Total liabilities		<u>208,633,662</u>	<u>243,911,446</u>	<u>100,769,847</u>	<u>136,751,421</u>
TOTAL EQUITY AND LIABILITIES		<u>516,195,109</u>	<u>518,462,440</u>	<u>394,640,611</u>	<u>373,054,168</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT
REPORT THEREON (CONT'D)**

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

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

Group	Share capital RM	Share premium RM	Attributable to owners of the Company			Distributable Retained profits RM	Non-controlling interests RM	Total equity RM
			Non-distributable Treasury shares RM	Other reserves RM	Other reserves RM			
At 1 July 2015	46,670,415	75,854,883	(10,324,612)	78,330,124	63,506,228	26,504	254,063,542	
Profit/(Loss) for the financial year	-	-	-	598,650	1,169,834	(249,307)	920,527	
Other comprehensive loss	-	-	-	598,650	-	-	598,650	
Total comprehensive income/(loss) for the financial year	-	-	-	598,650	1,169,834	(249,307)	1,519,177	
Transfer of warrant reserve	-	-	-	(4,342,882)	4,342,882	-	-	
Contributions by owners of the Company	-	-	-	-	-	-	-	
- Share issuance expense	-	(1,031,725)	-	-	-	-	(1,031,725)	
- Conversion of redeemable convertible notes	18,789,211	1,210,789	-	-	-	-	20,000,000	
Total transactions with owners of the Company	18,789,211	179,064	-	-	-	-	18,968,275	
At 30 June 2016	65,459,626	76,033,947	(10,324,612)	74,585,892	69,018,944	(222,803)	274,550,994	
Profit for the financial year	-	-	-	-	4,275,660	(15,122)	4,260,538	
Other comprehensive income	-	-	-	1,499,306	-	-	1,499,306	
Total comprehensive income/(loss) for the financial year	-	-	-	1,499,306	4,275,660	(15,122)	5,759,844	
Dilution arising from change in stake	-	-	-	-	(110,023)	(139,977)	(250,000)	
Contributions by owners of the Company	-	-	-	-	-	-	-	
- Share issuance expense	27,607,437	(326,828)	-	-	-	-	(326,828)	
- Issuance of shares	-	220,000	-	-	-	-	27,827,437	
- Transition to no par value regime under Companies Act 2016**	75,927,119	(75,927,119)	-	-	-	-	-	
Total transactions with owners of the Company	103,534,556	(76,033,947)	-	-	-	-	27,500,609	
At 30 June 2017	168,994,182	-	(10,324,612)	76,085,198	73,184,581	(377,902)	307,561,447	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD
(Co. No. 399292 - V)
(Incorporated in Malaysia)

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

Company	Note	Attributable to owners of the Company					Total equity RM
		Share capital RM	Share premium RM	Treasury shares RM	Other reserves RM	Distributable Retained profits RM	
At 1 July 2015		46,670,415	75,854,883	(10,324,612)	78,854,130	487,167	191,541,983
Total comprehensive income for the financial year		-	-	-	-	25,792,489	25,792,489
Transfer from warrant reserve	25	-	-	-	(4,342,882)	4,342,882	-
Contributions by owners of the Company							
- Share issuance expense			(1,031,725)	-	-	-	(1,031,725)
- Conversion of redeemable convertible notes			1,210,789	-	-	-	20,000,000
Total transactions with owners of the Company		18,789,211	179,064	-	-	-	18,968,275
At 30 June 2016		65,459,626	76,033,947	(10,324,612)	74,511,248	30,622,538	236,302,747
Total comprehensive income for the financial year		-	-	-	-	30,067,408	30,067,408
Contributions by owners of the Company							
- Share issuance expense			(326,828)	-	-	-	(326,828)
- Issuance of shares		27,607,437	220,000	-	-	-	27,827,437
- Transition to no par value regime under Companies Act 2016**		75,927,119	(75,927,119)	-	-	-	-
Total transactions with owners of the Company		103,534,556	(76,033,947)	-	-	-	27,500,609
At 30 June 2017		168,994,182	-	(10,324,612)	74,511,248	60,689,946	293,870,764

** The Companies Act 2016 ("the Act") which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the share premium account of RM75,927,119 becomes part of the Group's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)
PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Cash flows from operating activities					
Profit before taxation		2,200,371	1,641,089	30,095,373	25,792,489
Adjustments for:					
Allowance for impairment on receivables		1,796,377	873,569	-	-
Allowance for impairment on receivables written back		(127,751)	-	-	-
Amortisation of intangible asset		1,359,985	2,857,077	-	-
Amortisation of land use rights		267,560	267,560	-	-
Bad debts written off		-	259,285	-	-
Depreciation of property, plant and equipment		29,375,869	34,130,363	-	-
Fair value adjustment for forest planting expenditure		333,072	(401,258)	-	-
Gain on disposal of property, plant and equipment		(3,117,567)	(9,637,407)	-	-
Fair value loss on derivative assets		-	59,264	-	-
Impairment loss on property, plant and equipment		1,803,393	7,797,656	-	-
Impairment loss on inventories		2,262,180	-	-	-
Impairment loss on intangible assets		-	122,692	-	-
Interest expenses		9,094,772	17,281,985	7,600,582	13,384,755
Interest income		(51,683)	(88,927)	(51,515)	(67,876)
Inventories written off		553,872	727,274	-	-
Liabilities no longer in existence written back		(25,410)	(188,144)	(25,410)	-
Timber rights written off		1,847,225	-	-	-
Unrealised foreign exchange gain		-	(771,054)	-	-
Operating profit before working capital changes		47,572,265	54,931,024	37,619,030	39,109,368
Change in inventories		(3,044,875)	(1,624,874)	-	-
Change in receivables		(16,862,489)	(19,783,246)	(1,045,342)	6,805
Change in payables		(4,627,151)	(12,924,144)	(1,784,276)	(392,603)
Cash generated from operations		23,037,750	20,598,760	34,789,412	38,723,570
Income tax paid		(11,536)	(45,964)	(16,117)	-
Income tax refunded		-	34,170	-	-
Interest paid		(8,889,063)	(15,006,568)	-	-
Net cash generated from operating activities		14,137,151	5,580,398	34,773,295	38,723,570

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)
PRICEMORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

(continued)

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Cash flows from investing activities					
Acquisition of non-controlling interest		(250,000)	-	-	-
Acquisition of property, plant and equipment	14	(14,715,547)	(9,347,925)	-	-
Interest received		168	21,051	-	-
Payment of forest planting expenditure		(19,032,810)	(21,272,254)	-	-
Proceeds from disposal of property, plant and equipment		8,182,322	26,295,558	-	-
Withdrawal/(Placement) of fixed deposits with a licensed bank		3,619,391	(3,500,000)	3,619,391	(3,500,000)
Increase in investment of subsidiary company		-	-	(305)	(2)
Net cash (used in)/generated from investing activities		(22,196,476)	(7,803,570)	3,619,086	(3,500,002)
		(8,059,325)	(2,223,172)	38,392,381	35,223,568
Cash flows from financing activities					
Conversion of redeemable convertible notes		-	20,000,000	-	20,000,000
Proceeds from issuance of shares		27,827,437	-	27,827,437	-
Share issuance expenses		(326,828)	(1,031,725)	(326,828)	(1,031,725)
Increase in amounts due from subsidiary companies		-	-	(24,097,115)	(37,738,018)
Interest paid		-	-	(7,600,582)	(11,109,338)
Repayment of loans and borrowings		(30,279,011)	(12,350,442)	(34,183,736)	(5,348,642)
Loans and borrowings drawdown		1,161,435	-	-	-
Net cash (used in)/generated from financing activities		(1,616,967)	6,617,833	(38,380,824)	(35,227,723)
Net (decrease)/increase in cash and cash equivalents		(9,676,292)	4,394,661	11,557	(4,155)
Effect of exchange rate fluctuations on cash held		1,499,306	941,528	-	-
Cash and cash equivalents at beginning of financial year		9,151,652	3,815,463	16,254	20,409
Cash and cash equivalents at end of financial year	23	974,666	9,151,652	27,811	16,254

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**PRICEWORTH INTERNATIONAL BERHAD**

(Co. No. 399292 - V)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2017**1. Basis of preparation**

The significant accounting policies adopted by the Group and the Company are consistent with those adopted in previous financial year unless otherwise stated.

The financial statements of the Group and of the Company are prepared on the historical cost convention, other than as disclosed in the notes to the financial statements, and in accordance with the Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 2016 in Malaysia.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") framework. The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*, including its parent, significant investor and venturer (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS framework for an additional Six (6) years. Consequently, adoption of the MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS framework in their first MFRS financial statements for the financial year ended 30 June 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

As at the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between FRS and accounting standards under the MFRS framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as disclosed in these financial statements for the financial year ended 30 June 2017 could be different if prepared under the MFRS Framework. The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS framework in the financial year ended 30 June 2019.

The financial statements are prepared in Ringgit Malaysia (RM) which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Adoption of new and revised FRS

On 1 December 2016, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2016.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2017**1. Basis of preparation (continued)****(a) Adoption of new and revised FRSs (continued)**

The main effect of the adoption of the above is summarised below:

Disclosure Initiative (Amendments to FRS 101)

Disclosure Initiative (Amendments to FRS 101) made the following changes:

- **Materiality.** The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information; (2) materiality considerations apply to the all parts of the financial statements; and (3) even when a standard requires a specific disclosure, materiality considerations do apply.
- **Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income.** The amendments: (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements; and (2) clarify that an entity's share of Other Comprehensive Income (OCI) of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- **Notes.** The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of FRS 101. The International Accounting Standards Board (IASB) also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The adoption of this amendment has resulted in significantly reduced disclosures in certain sections of the financial statements of the Group and the Company.

(b) Standards issued but not yet effective

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

Effective for annual periods commencing on or after 1 January 2017

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

Effective for annual periods commencing on or after 1 January 2018

- Financial Instruments (FRS 9)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

PRICEWORTH INTERNATIONAL BERHAD

(Co. No. 399292 - V)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2017

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

A brief description on the Amendments to FRSs and new FRSs above that have been issued is set out below:

(i) Disclosure Initiative (Amendments to FRS 107)

The amendments come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

To achieve this objective, the MASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The MASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.

The amendments state that one way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

Since the amendments are being issued less than one year before the effective date, entities need not provide comparative information when they first apply the amendments

Apart for certain changes to the disclosures, this adoption will not have any impact on the financial statements of the Group and of the Company.

(ii) Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 112)

The amendments clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.