



2023

ANNUAL REPORT

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting (“AGM”) of the Company will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuhr Gereja, 10300 Penang on Wednesday, 29 May 2024 at 10.00 am for the following purposes: -

AGENDA

ORDINARY BUSINESS

- | | | |
|----|---|------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of Directors and Auditors thereon. | Please refer to Note 8 |
| 2. | To re-elect Mr. Koay Chiew Poh, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 1 |
| 3. | To re-elect Mr. Koay Teng Liang, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 2 |
| 4. | To re-elect Mr. Koay Teng Kheong, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 3 |
| 5. | To approve the payment of Directors’ fees up to an amount not exceeding RM250,000 for the financial year ending 31 December 2024. | Resolution 4 |
| 6. | To approve the payment of Directors’ benefits of not exceeding RM50,000 for the financial year ending 31 December 2024. | Resolution 5 |
| 7. | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications the following ordinary resolutions:-

- | | | |
|----|--|---------------------|
| 8. | AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016
“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company. | Resolution 7 |
|----|--|---------------------|

THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Article 61 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.

THAT any one of the Executive Directors and/or Secretary of the Company be empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

9. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

By Order of the Board,

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

P’NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334

Company Secretaries

Penang

Date: 25 April 2024

NOTES ON APPOINTMENT OF PROXY

- (1) A proxy may but need not be a member of the Company.
- (2) A member shall be entitled to appoint up to a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (3) Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”) which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- (4) Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang not less than 48 hours before the time for holding the meeting or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. Any completed proxy form transmitted by facsimile or electronic mail to the registered office of the Company will not be accepted.
- (6) In the case of a corporate member, the proxy form must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised in which, it must be supported by a certified true copy of the relevant form or resolution appointing the officer or certified true copy of the power of attorney.
- (7) For the purpose of determining a member who shall be entitled to attend the 37th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 15 May 2024. Only a depositor whose name appears on the Record of Depositors as at 15 May 2024 shall be entitled to attend the 37th AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

(8) **Agenda 1 - Audited Financial Statements**

The Audited Financial Statements for the financial year ended 31 December 2023 will be laid to shareholders at the 37th AGM pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.

(9) **Agenda 2 to Agenda 4 – Re-election of Directors**

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election and was satisfied therewith. The Board having considered the recommendation of the Nominating Committee proposed the retiring Directors for the re-election at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nomination Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the 37th AGM are provided in the Company's Annual Report 2023.

(10) **Agenda 5 – Directors' Fees**

The Resolution 4, if passed, will enable the Company to pay Directors' fees to the Non-Executive Directors and Executive Directors of the Company for the financial year ended 31 December 2024 in accordance with Section 230(1) of the Companies Act 2016.

(11) **Agenda 6 – Directors' Benefits**

The Resolution 5, if passed, will enable the Company to pay meeting allowances and other benefits to the Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprise of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds..

(12) **Agenda 7 – Re-appointment of Auditors**

The Audit & Risk Management Committee and the Board had considered the re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors of the Company. The Audit & Risk Management Committee and the Board collectively agreed and are satisfied that Messrs. Grant Thornton Malaysia PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES ON SPECIAL BUSINESS

(13) **Agenda 8- Authority to issue shares pursuant to Companies Act 2016**

The Resolution 7, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to its issuance and, for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

- 1) No individuals are standing for election as Directors at the forthcoming 37th Annual General Meeting of the Company.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 2 to Agenda 4 of the Notice of the 37th Annual General Meeting of the Company are set out in the Directors' Profile section of this Annual Report.
- 3) The details of the Directors' interests in the securities of the Company as at 01 April 2024 are set out in the Statistic of Shareholdings section of this Annual Report.
- 4) The Resolution 7 tabled under Special Business as per the Notice of 37th Annual General Meeting of the Company dated 25 April 2024 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 29 May 2023.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of notice of meeting, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Koay Chiew Poh <i>Non-Executive Chairman</i> Koay Chiew Kang <i>Executive Director</i> Koay Teng Liang <i>Executive Director</i> Koay Teng Kheong <i>Executive Director</i> Nurjannah Binti Ali <i>Executive Director</i> Tang Boon Lee <i>Independent Non-Executive Director</i> Koay Chue Beng <i>Alternate Director to Koay Chiew Poh</i> Soon Poh Lean (appointed on 03.04.2023) <i>Independent Non-Executive Director</i> Dr. Sek Weng Yew (appointed on 03.04.2023) <i>Independent Non-Executive Director</i>
SECRETARIES	:	Lee Peng Loon (MACS 01258) P'ng Chiew Keem (MAICSA 7026443)
AUDIT AND RISK MANAGEMENT COMMITTEE	:	Soon Poh Lean (Independent Non-Executive Director) <i>Chairman</i> (appointed on 03.04.2023) Dr. Sek Weng Yew (Independent Non-Executive Director) <i>Committee Member</i> (appointed on 03.04.2023) Tang Boon Lee (Independent Non-Executive Director) <i>Committee Member</i>
NOMINATING AND REMUNERATION COMMITTEES	:	Koay Chiew Poh (Non-Executive Chairman) <i>Chairman</i> Soon Poh Lean (Independent Non-Executive Director) <i>Committee Member</i> (appointed on 03.04.2023) Dr. Sek Weng Yew (Independent Non-Executive Director) <i>Committee Member</i> (appointed on 03.04.2023) Tang Boon Lee (Independent Non-Executive Director) <i>Committee Member</i>
SCHEME COMMITTEE	:	Koay Teng Liang (Executive Director) <i>Chairman</i> Koay Chiew Kang (Executive Director) <i>Committee Member</i> Koay Teng Kheong (Executive Director) <i>Committee Member</i>

REGISTERED OFFICE AND BUSINESS ADDRESS	: Wisma Public Packages Plot 67 Lintang Kampong Jawa Bayan Lepas Industrial Estate 11900 Bayan Lepas Penang Malaysia Tel No: 04-6444888 Fax No: 04-6436699 E-mail: b_m@pph.com.my
REGISTRAR	: Tricor Investor & Issuing House Services Sdn. Bhd. Unit 32-01 Level 32 Tower A Vertical Business Suite Avenue 3 Bangsar South No 8 Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel No: 03-2783 9299 Fax No: 03-2783 9222
AUDITORS	: Grant Thornton Malaysia PLT Chartered Accountants
PRINCIPAL BANKERS	: Al Rajhi Banking & Investment Corporation (Malaysia) Berhad AmBank (M) Berhad CIMB Bank Berhad Malayan Banking Berhad RHB Bank Berhad
STOCK EXCHANGE LISTING	: Main Market of Bursa Malaysia Securities Berhad Stock Name : PPHB Stock Code : 8273
WEBSITE	: http://www.pph.com.my

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the Board of Directors, I am pleased to present you the Annual Report and Audited Financial Statements of PPHB for the financial year ended ("FYE") 31 December 2023.

OVERVIEW OF GROUP'S HISTORY AND BUSINESS

PPHB is an investment holding company. Through its subsidiaries, the Group is principally involved in the production and sale of paper packaging products.

Established in 1976, PPHB is listed on the Main Market of Bursa Malaysia Securities Berhad in 1991. Over the years, the Group has transformed into a total packaging solutions provider with a focus on branding, designing and packaging. Customised packaging solutions and a full range of supply chain management service are provided to better cater for customers' needs. Today, the Group has seven (7) manufacturing plants at Nibong Tebal, Kulim, Prai, Bayan Lepas and Shah Alam, supported by two (2) sales offices in Kuala Lumpur and Singapore. All locations are strategically selected to serve our customers of different locations.

Apart from being a packaging solutions provider, the Group is also involved in the operation and management of the Prestige Hotel, which is located at 8 Gat Lebuhr Gereja, 10300 Penang, in the heart of the Georgetown UNESCO world heritage site.

Overall, the Group's operations are divided into five (5) key divisions: -

- Manufacturing
- Trading
- Hotel Management
- Investments
- Property

FINANCIAL AND OPERATIONAL REVIEW

The table below highlights the Group's financial performance for the FYE 31 December 2023.

	2023	2022	2021	2020	2019
Revenue (RM'000)	209,570	223,727	196,808	190,276	203,877
Gross Profit (RM'000)	84,136	79,762	61,289	59,897	63,889
Share of Results of Joint Venture (RM'000)	4,833	1,639	2,165	7,646	1,206
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (RM'000)	58,208	55,860	42,815	48,411	40,245
Profit Before Taxation (RM'000)	52,413	47,061	31,225	35,981	29,534
Profit After Taxation (RM'000)	48,488	38,488	23,672	27,123	23,632
Net Cash From Operating Activities (RM'000)	47,742	38,616	35,402	41,246	29,558
Total Assets (RM'000)	438,542	395,676	363,270	339,828	320,898
Borrowings (RM'000)	9,042	13,696	21,434	30,252	42,496
Share Capital (RM'000)	133,558	133,174 *	94,787	94,361	94,361
Shareholders Fund (RM'000)	390,204	341,286	301,379	273,337	246,707
Basis Earnings Per Share (Sen)	18.22	14.53	12.55	14.38	12.53
Diluted Earnings Per Share (Sen)	18.22	14.52	12.55	**	**
Gearing Ratio	0.02	0.04	0.07	0.11	0.17
Net Asset Per Share (RM)	1.47	1.28	1.60	1.45	1.31

* Bonus issuance of 75,565,703 new ordinary shares ("Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing shares held.

** Not applicable

REVENUE

For the financial year under review, the Group recorded a revenue of RM209.6 million, representing a decline of RM14.1 million or 6.30% as compared to a revenue of RM223.7 million in FYE 2022.

The Group's manufacturing division remains as main revenue contributor, contributing RM173.6 million to the total revenue for FYE 2023. This marked a decline of 10.85% as compared to RM194.7 million revenue contribution in the previous financial year. Such decrease was mainly due to an unfavourable product mix and lower demand from customers, in alignment with the slower global market conditions.

Trading division also contributed to the Group, experienced a surge in revenue from RM9.9 million to RM12.2 million, marked an increase of 23.23% during the year. The improvement was mainly attributed to recovery in demand in the Singapore division.

Prestige Hotel contributed a total revenue of RM22.9 million for FYE 2023, representing an increase of RM3.9 million or 20.53% as compared to a revenue of RM19.0 million in FYE 2022. The improvement was primarily due to steady rebound in room occupancies. In conjunction with the higher occupancy rate, the hotel's food and beverage revenue during the year was also strengthened accordingly.

PROFITABILITY

Despite lower revenue, the Group's overall gross margin improved from 35.65% in the previous year to 40.15%. In line with the increase in gross margin, the Group's profit before taxation in FYE 2023 also improved from RM47.1 million in FYE 2022 to RM52.4 million, representing an increase of 11.25% or RM5.3 million as compared to the preceding financial year. The improvements in gross margin and profit before taxation were mainly due to continuous implementation of cost saving measures and enhancements in production efficiencies. In addition, the Group also benefited from fair value adjustments on its investment properties, higher interest rate on investment funds and unrealised gain arising from translation in foreign currencies.

With that, the earnings per share during FYE2023 stood at 18.22 sen (2022: 14.53 sen).

CASH FLOWS AND LIQUIDITY

During the financial year under review, the Group continued to generate strong net cash flow from its operating activities, amounting to RM47.7 million (2022: RM38.6 million). This net cash was utilised for various purposes during the financial year, including capital expenditure, investments, dividend payment and to pare down long-term and short-term borrowings.

In addition, the Group maintained a strong financial position with cash and cash equivalents of RM84.6 million (2022: RM79.4 million) and a net cash per share of RM0.32 (2022: RM0.30). With a healthy net cash position, the Group is well-equipped to meet its present and foreseeable day-to-day operational requirements.

SHARE CAPITAL

During the financial year under review, the Company increased its paid-up capital from RM133.2 million to RM133.6 million through the allotment of 587,200 new ordinary shares pursuant to the Group's Employees' Share Grant Scheme ("ESGS").

GEARING RATIO

The Group's total borrowings reduced from RM13.7 million in the previous year to RM9.0 million as of the end of FYE 2023. The decrease was mainly due to lower utilisation of trade facilities and the retirement of certain term loans with net cash generated from operations.

As a result, our gearing ratio has reduced to only 0.02 (2022: 0.04) during the financial year.

SHAREHOLDERS' EQUITY

During the financial year under review, the Group maintains a strong financial position with net assets per share of RM1.47 (2022: RM1.28).

GROUP DEVELOPMENT

Capital Expenditure Investment

During the financial year under review, the Group incurred a total capital expenditure of RM3.5 million for the acquisition of solar projects to reduce the Group's reliance on fossil fuel-generated electricity. The solar projects, with a total capacity of 1,475.05 kWp, were completed and successfully utilised.

In addition, the Group also continued its effort in upgrading its facilities to enhance production efficiencies. Such upgrades are essential for the Group to keep abreast with changing technologies and to better serve customers' needs. The Group aims to automate its existing production processes and systems, thereby reducing its reliance on labour for production. During the year under review, the Group is still in the process of expanding its plant to increase production capacity. The expansion is expected to be completed by the first half of 2024.

Moving forward, the Group will continue its efforts to optimise manufacturing efficiency and labour utilisation to manage challenges in the operating environment.

Technology Enhancement

The Group remains focused on investment in technology infrastructure. The Group has accelerated its investment in IT software and hardware during the financial year under review. Out-dated software had been identified and are being upgraded in stages.

The Group views digitalisation as essential and inevitable. As such, the Group has continued its effort and investment in digitalisation initiatives to lessen the reliance on manual processes. These initiatives enable the Group to automate workflow processes which will reduce the possibility of human error, improve Management's accessibility to information, and enable better integration of business systems thereby enhancing efficiency and effectiveness of the Group's core business processes. Digitalisation and automation of systems and processes have been implemented across all operations in stages, after a successful trial run with positive results. Digitalisation tools also helps with the Group's data collection processes, which in turn sharpens the marketing efforts and solves manpower shortage problems.

Sustainability Journey

The Group is committed to being a responsible and sustainable business. It aims to maximise long-term value and achieve operation excellence while addressing economic, environmental and social considerations. These sustainable performance considerations have been integrated into the Group's daily operational activities throughout all its operations. During the year under review, the Board received updates on the Group's sustainability commitments and Management's efforts in data collection, collation and analysis. Details on identified sustainability matters are outlined in this Annual Report.

BUSINESS RISKS AND MITIGATION STRATEGIES

The anticipated risks that are significant to the Group are as highlighted below.

Business risk

The Group's prospects and profitability in its business operations could be indirectly affected by the changes in economic, political and regulatory environment in Malaysia. In addition, the Group may also be affected by a general downturn in the global economy, entry of new competitors, interest rate fluctuations, as well as changes in laws and tax legislation.

To mitigate the risk, the Group will maintain strong business relationships with its customers and suppliers. Furthermore, the Group will continually review its business operations to adapt to the prevailing economic, political, regulatory environment. The Group will practice prudent financial risk management and implement efficient operating procedures to control its business operating cost. However, there is no assurance that such mitigation measures will prevent the Group from being affected by adverse economic and political developments which are beyond the Group's control.

Credit risk

It is part of the Group's practice to extend credit terms to its customers. To manage credit risks, customer evaluations are carried out before credit limits are determined. The evaluation will take into consideration factors such as the Group's relationship with its customers as well as their respective payment history and creditworthiness. Periodic reviews on collection performance are also carried out on weekly basis to minimise the possibility of bad debts. Specific bad debts provision will be made once the debts are deemed uncollectable.

Commodity price risk

The price of paper, being our major raw material, has tremendous impact on the Group's production. It represents about 60% of our total production cost. Thus, fluctuations in paper commodity price, foreign currency exchange rates, and availability of supply of paper materials will definitely affect the Group's profitability. To mitigate such risk, the Group maintains close communication with its suppliers and constantly monitors paper materials cost to ensure fast response to volatility. At the same time, the Group also adopts a monthly pricing review strategy to monitor the changes in price of paper.

The Group will also keep sufficient level of paper inventories to enable the Group to react to unforeseen challenges.

Labour risk

The Group's production depends heavily on labour. The on-going shortage of the local workforce has affected the Group and this has resulted in the employment of a high number of foreign workers. In order to mitigate the risk of labour shortage, the Group has been continuously recruiting local employees as well as foreign workers from different countries. In addition, in order to reduce dependency on manual labour, the Group is prioritising its efforts to automate existing production processes and systems to improve productivity.

Foreign currency risk

The Group has exposure to foreign currency risk mainly due to sales and purchases via its subsidiary operating companies that are denominated in US Dollar ("USD") and Singapore Dollar ("SGD"). The Group manages its foreign currency risk through natural hedging mechanism, whereby payment of purchases with sales proceeds in the same currency are encouraged.

RETURN TO SHAREHOLDERS

The Group does not have any formal dividend policy. However, this does not prevent the Board from recommending dividends to its shareholders to allow them to participate in the Group's profits. Any declaration of dividends and other distributions to the shareholders will be at the discretion of the Board, after taking into consideration the Group's performance, investment plans and working capital requirements.

On 26 February 2024, the Board declared an interim single-tier dividend of RM0.00375 per share for financial year ended 31 December 2023 which was paid on 26 March 2024.

MARKET REVIEW AND 2024 OUTLOOK

Given the persistently uneven global growth, compounded by the lagging impact of higher interest rates and the slowdown in China economy which adds to global uncertainty, the Group expects 2024 to be another challenging year with competition remains intense. The Group will continue to focus on its core business and stay committed to improve its competitiveness via the implementation of various strategies such as enhancing production efficiency, automating production processes and optimising procurement. In addition, the Group will continuously explore new opportunities available in the market and broaden its product range to remain relevant to its customers' demands.

Barring any unforeseen circumstances, the Group's prospect remains positive despite challenging and the Group strives to achieve satisfactory performance for the year ahead.

DIRECTORS' INFORMATION

Koay Chiew Poh, a Malaysian, age 72, is the founder of Public Packages Holdings Berhad (“PPHB”) and was appointed to the Board on 16 March 1991 as Executive Chairman of the Company. He was re-designated as Non-Executive Chairman of the Company on 15 August 2022. He is also a Chairman of the Nominating and Remuneration Committees. He is an entrepreneur with more than 30 years’ experience in the packaging and printing industry. He served as a Sales Manager for Pan Asian Paper Product Manufacturing Sdn Bhd before he joined Federal Packages Sdn Bhd. He holds directorships in several of PPHB’s subsidiaries.

He is the brother of Mr. Koay Chiew Kang, Mr. Koay Chue Beng, the father of Mr. Koay Teng Liang and Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2023.

Koay Chiew Kang, a Malaysian, age 66, was appointed to the Board on 14 March 2012 as Executive Director. He graduated from Universiti Sains Malaysia with BSC. HBP (Hons). He has also attended the Owner/President Programme at Harvard Business School, Boston. He is a member of the Scheme Committee. He has been working with the Group as Manager in various departments, namely Administration, Production and Operation since the year 1985. Due to his extensive knowledge and experiences, he has been promoted to General Manager in year 1995. He also holds directorships in several of PPHB’s subsidiaries.

He is the brother of Mr. Koay Chiew Poh, Mr. Koay Chue Beng, the uncle of Mr. Koay Teng Liang and Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2023.

Koay Chue Beng, a Malaysian, age 63, was re-designated as Alternate Director to Mr. Koay Chiew Poh on 25 March 2011. Prior to this, he was the Executive Director of the Company since 9 February 2002. He had served as senior management in several private limited companies and has extensive experience in sales and marketing, new market development, distribution, planning and control. He is also actively involved in community services. He holds directorships in several of PPHB’s subsidiaries.

He is the brother of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, the uncle of Mr. Koay Teng Liang and Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2023.

Koay Teng Liang, a Malaysian, age 47, was appointed to the Board as an Executive Director on 30 January 2009. Prior to the appointment, he was the Alternate Director to Mr. Koay Chiew Lee from 17 November 2003 until 23 January 2009. He is the Chairman of the Scheme Committee. He graduated from University of Melbourne, Australia with a Bachelor in Commerce (Hons) and Bachelor in International Business from Flinders University, Australia. He has also attended the Owner/President Programme at Harvard Business School, Boston. Prior to joining the Company, he was attached with Teckwah Industrial Corporation Limited, Singapore as a Program Executive. He holds directorships in several of PPHB’s subsidiaries.

He is the son of Mr. Koay Chiew Poh, nephew of Mr. Koay Chiew Kang, Mr. Koay Chue Beng and brother of Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2023.

Koay Teng Kheong, a Malaysian, age 43, was appointed to the Board as an Executive Director on 25 March 2011. He is a member of the Scheme Committee. He graduated from Monash University, Australia with a Masters in Management and Bachelor in Information Systems from University of Melbourne, Australia. He holds directorships in Public Packages Asia (S) Pte Ltd., a 100% owned indirect subsidiary of PPHB prior to this appointment and has actively participated and contributed towards the Group’s revenue and management.

He is the son of Mr. Koay Chiew Poh, nephew of Mr. Koay Chiew Kang, Mr. Koay Chue Beng and brother of Mr. Koay Teng Liang who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2023.

Nurjannah Binti Ali, a Malaysian, age 65, was appointed to the Board as Executive Director on 29 November 2021. Prior to this, she was the Independent Non-Executive Director (“INED”) of the Company since 5 February 1999. With an accounting background, Nurjannah has more than 15 years’ experience in finance and business.

She has no family relationship with any directors and/or major shareholders of the Company. She has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

She had attended all the 5 Board meetings held in the financial year ended 31 December 2023.

Soon Poh Lean, a Malaysian, age 48, was appointed to the Board on 3 April 2023 as an INED. He is Chairman of the Audit and Risk Management Committee and also a member of the Nominating and Remuneration Committees. He graduated with a Bachelor of Commerce (Accounting & Finance) from the University of Sydney, Australia. He is also a Chartered Finance Analyst (CFA) charterholder and a fellow member of CPA Australia. He is the founder and Chief Executive Officer at Quin River Capital Sdn. Bhd. and Quin River Advisers Sdn. Bhd.

He started his career in PricewaterhouseCoopers in both Kuala Lumpur and London offices after which he worked in Hong Kong at an Asia ex-Japan equities hedge fund and subsequently joined Sadella Advisory, an M&A corporate advisory firm where he held his final position as Partner and Chief Operating Officer.

Prior to founding Quin River, he was formerly a Partner at AHAM Capital Asset Management's private equity business. Prior to that, he was Head of Mergers & Acquisitions (M&A) at RHB Investment Bank where he held the position until 2018.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended 4 Board meetings held in the financial year ended 31 December 2023.

Dr. Sek Weng Yew, a Malaysian, age 47, was appointed to the Board on 3 April 2023 as an INED. He is a member of the Audit and Risk Management, Nominating and Remuneration Committees. He graduated with MD (Canada) from University of Western Ontario, Canada, Master of Surgery from University Malaya and FRCS (Neuro. Surg) from The Royal College of Surgeons Edinburgh. He also attained fellowship in Spine (Sheffield) and Stereotactic Radiosurgery (UK). He works at Pantai Hospital Kuala Lumpur as a practising doctor, specializes in neuro and spine surgery.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended 4 Board meetings held in the financial year ended 31 December 2023.

Tang Boon Lee, a Malaysian, age 48, was appointed to the Board on 29 November 2021 as an INED. He is a member of the Audit and Risk Management, Nominating and Remuneration Committees. He graduated with a Bachelor in Civil Engineering from University Technology Malaysia, Johor and Bachelor in Traditional Chinese Medicine from Yunnan Chinese Medical College, China. He has at least 15 years’ experience as a project coordinator in construction and development in Buddhist Tzu Chi Merit Society Malaysia. He is currently acting as a Health and Naturopathy Consultant.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended 5 Board meetings held in the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT

Koay Chiew Kang

Executive Director/Group Managing Director

Age : 66
Gender : Male
Nationality : Malaysian

(Please refer to his profile as listed on Page 12 of the Annual Report.)

Responsibilities: -

He is responsible for the corporate planning and business development activities of the Group.

Koay Chiew Lee

Managing Director

Age : 61
Gender : Male
Nationality : Malaysian

Qualifications: -

- Diploma in Financial Accounting, Kolej Tunku Abdul Rahman
- Master of Business Administration, National University of Singapore

Working experience: -

- More than 35 years' experience in the packaging industry.
- Joined the Group as Manager and has worked with the Group in various departments, including Administration, Production and Operation.
- Holds directorship in several subsidiaries of the Group.
- He is the brother of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, Mr. Koay Chue Beng, and the uncle of Mr. Koay Teng Liang, Mr. Koay Teng Kheong who are members of the Board.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages (Shah Alam) Sdn. Bhd.

Appointment to current position: December 1997

Koay Teng Liang

Executive Director/Managing Director

Age : 47
Gender : Male
Nationality : Malaysian

(Please refer to his profile as listed on Page 12 of the Annual Report.)

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages Asia Sdn. Bhd. and Public Package (Prai) Sdn. Bhd.

Koay Teng Kheong

Executive Director/Managing Director

Age : 43
Gender : Male
Nationality : Malaysian

(Please refer to his profile as listed on Page 12 of the Annual Report.)

Responsibilities: -

He is responsible in overseeing overall development of the Group's hotel business. In addition, he assumes the position of Director in Human Resource and is responsible in leading, implementing and maintaining the Group's Human Resources procedures and policies. He is also involved in handling payrolls and trainings of the Group.

Gooi Chye Soon*Executive Director*

Age : 61
Gender : Male
Nationality : Malaysian

Qualifications: -

- Bachelor of Science (Hons), University of Malaya

Working experience: -

- More than 26 years' experience in the packaging industry.
- Joined the Group as Production Manager and advanced to General Manager/Director, prior promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages (NT) Sdn. Bhd.

Appointment to current position: October 2016

Loo Weng Keen*General Manager/Director*

Age : 54
Gender : Male
Nationality : Malaysian

Qualifications: -

- Master of Business Administration (UK), Anglia Ruskin University

Working experience: -

- More than 29 years' experience in the packaging industry.
- Joined the business development division of the Group and advanced to General Manager, prior promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages Sdn. Bhd.

Appointment to current position: January 2017

Lau Chee Pong*General Manager*

Age : 57
Gender : Male
Nationality : Malaysian

Qualifications: -

- Sijil Pelajaran Malaysia ("SPM")

Working experience: -

- More than 33 years' experience in the packaging industry.
- Was working in a publishing company prior joining the Group.
- Joined the offset printing division of the Group in 1987 and advanced in the division prior promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of PPH Printing & Packaging (Kulim) Sdn. Bhd.

Appointment to current position: June 2011

Tan Peck Sian*General Manager*

Age : 49
Gender : Male
Nationality : Malaysian

Qualifications: -

- Advanced Diploma BTEC National Printing Management, West Herts College (UK)

Working experience: -

- More than 23 years' experience in the packaging industry.
- Was working in a printing company prior joining the Group.
- Joined the Group as Sales Executive and was promoted to General Manager of PPH Display Design Sdn. Bhd. a subsidiary of the Group, prior promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of PPH Printing & Packaging (Penang) Sdn. Bhd.

Appointment to current position: May 2008

Ooi Hun Keong*General Manager*

Age : 47
Gender : Male
Nationality : Malaysian

Qualifications: -

- Certified Hotel Administrator, American Hotel & Lodging Educational Institute

Working experience: -

- More than 25 years' experience in the hospitality industry.
- Joined the hotel division of the Group in 2018 and lead the pre-opening of Prestige Hotel.

Responsibilities: -

He is responsible in overseeing Prestige Hotel's day-to-day administrative and operational functions.

Appointment to current position: August 2018

Sonny Cheah Soo Chuan*Marketing Director*

Age : 45
Gender : Male
Nationality : Malaysian

Qualifications: -

- Bachelor of Information System, University of Melbourne

Working experience: -

- More than 17 years' experience in the packaging industry.
- Was working in the IT industry in Singapore prior joining the Group.
- Joined the Group as a Management Trainee and advanced in the business development division.
- Was promoted to Marketing Manager, prior promotion to current position.
- He is the nephew of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, Mr. Koay Chue Beng, and the cousin of Mr. Koay Teng Liang, Mr. Koay Teng Kheong who are members of the Board.

Responsibilities: -

He is responsible for sales and marketing for offset division. He participates in the setting up of marketing strategies and is actively involved in monitoring the performance of the division.

Appointment to current position: June 2010

Kenny Cheah Soo Chye*General Manager, Business Development*

Age : 43
Gender : Male
Nationality : Malaysian

Qualifications: -

- Bachelor of Economics and Commerce, University of Melbourne

Working experience: -

- More than 15 years' experience in the packaging industry.
- Joined the customer service division of the Group and moved to business development division.
- Was promoted to Senior Business Development Manager, prior promotion to current position.
- He is the nephew of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, Mr. Koay Chue Beng, and the cousin of Mr. Koay Teng Liang, Mr. Koay Teng Kheong who are members of the Board.

Responsibilities: -

He is responsible for sales and marketing for carton division. He participates in the setting up of marketing strategies and is actively involved in monitoring the performance of the division.

Appointment to current position: January 2017

Che Puan Abdullah*Government General Affairs Manager*

Age : 61
Gender : Female
Nationality : Malaysian

Qualifications: -

- Bachelor of Business Administration, University Utara Malaysia (UUM)

Working experience: -

- More than 31 years' experience in the packaging industry.
- Joined the Group as Human Resource Executive, prior promotion to current position.

Responsibilities: -

She is responsible for the overall administrative affairs of the Group.

Appointment to current position: September 2008

Chiang Pei Se*Corporate Manager*

Age : 47
Gender : Female
Nationality : Malaysian

Qualifications: -

- Bachelor of Accounting, University Utara Malaysia (UUM)
- Chartered Accountant, Malaysia Institute of Accountants

Working experience: -

- More than 15 years' experience in the packaging industry.
- Was working in the accounting firms prior joining the Group.
- Joined the Group as Group Accountant, prior promotion to current position.

Responsibilities: -

She is responsible for the overall finance and accounts functions of the Group.

Appointment to current position: April 2015

Notes: -

1. Family Relationship with Director and Shareholder

None of the Key Senior Management has any family relationship with any director and/or major shareholder of PPHB, other than indicated above.

2. Conflict of Interest

None of the Key Senior Management has any conflict of interest with PPHB.

3. Conviction of Offences

None of the Key Senior Management has been convicted of any offences (other than traffic offences), in the past 5 years and there are no public sanctions or penalties imposed by any regulatory bodies during the financial year.

STATEMENT OF SUSTAINABILITY

PPHB recognises the importance of sustainability as a key driver for long-term sustainable business growth. As such, the Board persistently reinforces various sustainability approaches into the business strategies and operations of the Group to maximise long-term value creation to our stakeholders. This statement focuses on the economic, social and governance (“ESG”) performance of the Group in ensuring that its business is carried out in a sustainable and responsible manner.

Aligned with ESG approaches, the Group continues to engage all stakeholders in its daily operations, minimise environmental impact that arises from daily operations and improve the social and economic conditions that it operates in.

This statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and Sustainability Reporting Guide 3rd Edition.

Scope

This Sustainability Report covers the Group’s key operations in Malaysia, of which the Group has direct control and holds a majority stake. Thus, joint ventures companies are excluded, unless otherwise stated in the report.

The reporting period of this report is from 1 January 2023 to 31 December 2023.

Limitation

The Group acknowledges the importance of data gathering and is in the process of gathering information for reporting moving forward. The sustainability targets will be established later, following an evaluation of our existing sustainability controls and requirements. Where possible, the historical data has been included to provide a meaningful comparison for our stakeholders in understanding the Group’s sustainability performance over the years.

External assurance

No external assurance has been conducted for this sustainability report. All the data has been sourced internally and validated by the sustainability team. The Group remains committed to enhancing the data accuracy and quality to further strengthen disclosures in future.

Sustainability Governance Structure

The Board is supported by the Group Managing Director and assisted by Senior Management in managing sustainability-related matters. The team is responsible for advising on and recommending good business strategies, in terms of sustainability, for adoption by the Board. Subsequently, the team will implement and monitor the sustainability strategies approved by the Board and ensure regulatory compliance. The details of the programs will be drawn up and presented to the Board on a yearly basis.

Materiality assessment process



- (a) **Stakeholders’ engagement**
The Board recognises that stakeholders are the key to its continuous success and the sustainability of the business. As such, the Board believes that a deep understanding of the Group’s stakeholders’ interest and concerns will help in maintaining and enhancing its relationship, enhance stakeholders’ expectation and achieve sustainable growth of the Group.
- (b) **Identification**
The Board evaluates and assesses sustainability matters and their respective level of impact towards the Group’s operations, as well as the importance of such matters to the Group’s key stakeholders. Various internal and external sources will be used in the process, including: -
 - Internally generated data, management reports and risk management reports;
 - Input from management and employees;
 - Review of issues and trends reported by industry sources including peers, customers and suppliers; and
 - Government policies.
- (c) **Prioritisation and Board’s approval**
The team will categorise and prioritise the key sustainability issues based on its assessment. The identified sustainability matters will be tabled for Board’s approval.
- (d) **Review**
The team will continue to review and assess sustainability matters to ensure that the reported matters remain relevant to the Group.

Stakeholder engagement

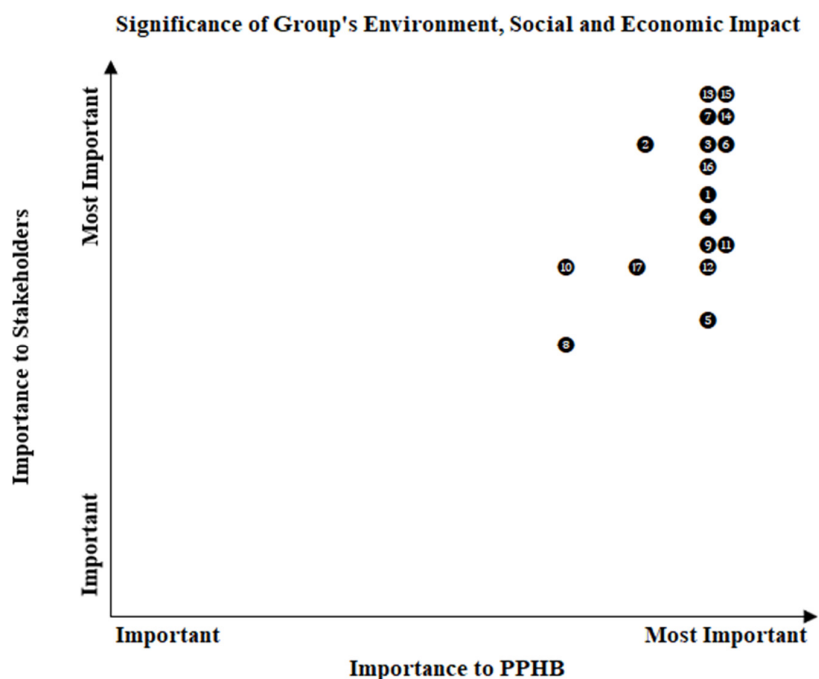
Our stakeholders play a significant role, as their decisions and actions can affect the development of our sustainability strategies and priorities. We are fully engaged with our stakeholders and are committed to find solutions to ensure that the interests and concerns of all relevant parties are considered.

Details of our stakeholder engagement are as follows:

Stakeholder	Area of concern	Type of engagement	Our goal
Employees	- Fair compensation and employee benefits - Equal employment opportunity - Career development and training programs - Safe and healthy working environment - Balanced lifestyle	- Circulation of updated employee handbook - Competitive and fair remuneration packages - Annual performance appraisal - Internal on-the-job trainings, awareness programs and external employee development trainings - Meetings and gatherings - Covid-19 prevention measures	- To provide a safe and healthy workplace with good welfare and equal employment opportunities. - To retain top performers and attract new talent.
Investors/ Shareholders	- Strong and sustainable financial performance - Continuous business growth	- Financial results - Company announcements - Annual reports - Circulars - AGM - Corporate website	- To establish clear communication channels to provide reliable and up-to-date disclosures on material information concerning the Group to foster positive shareholder relations.
Customers	- Customer satisfaction and pricing - Product design and quality - On time delivery - Business ethics	- Customer's feedback form - Regular communication with client - To offer innovative product design and development - In house product quality inspection - Monitoring the production schedule via daily meeting	- To enhance customer's loyalty and to build long-term sustainable relationship. - Better quality and reliable products with affordable prices.
Supplier	- Cost efficiencies - Quality products - Maintaining long-term partnership - Business ethics	- Fair and transparent procurement process - Inventory/supply commitment - Delivery - Payment schedule	- To build lasting relationship with suppliers.
Government	- Regulatory compliance - Transparency	- Participation in programs organised by government bodies - Compliance with applicable laws and regulations - Meetings with regulators	- To comply with all rules and regulations.
Communities	- Environmental impacts - Job opportunities - Corporate Social Responsibility ("CSR") activities	- Donations to charitable organisations - Provision of industrial training to graduates - Provision of scholarships - Provision of local employment and equal employment opportunities - Organisation of CSR activities	- To give back to the community and provide positive social value.

Key Sustainability Matters

Materiality in relation to Group's sustainability issues has been determined through analysis of internal documents, stakeholder identification and engagement processes. Based on this assessment, the team identified, prioritised and validated the sustainability matters that have the greatest impact on the economy, society and environment. Data and information regarding these material matters are illustrated as follows: -



Economic Matters	Environmental Matters	Social Matters
① Corporate Governance & Risk Management	⑧ Biodiversity & Conservation	⑬ Human Rights & Labor Standards
② Ethical Business Conducts	⑨ Waste Management	⑭ Human Capital Management
③ Data Protection & Privacy	⑩ Carbon Footprint & Emission Management	⑮ Health & Safety
④ Procurement Practices	⑪ Water Management	⑯ Talent Management
⑤ Customer Engagement	⑫ Energy Management	⑰ Community Development
⑥ Financial Performance		
⑦ Product Quality		

1. ECONOMIC

Business ethics and compliance

The Group's supply chain practices are guided by its Code of Ethics and Conduct, Anti-Bribery and Corruption ("ABC") Policy, Conflict of Interest and Recurrent Related Party Transactions ("COI") Policy and Director's Fit and Proper Policy ("the Practices"). The Practices outline the principles on the conduct of business and interaction with business partners, government and community as well as the general workplace behaviour. The Group aims to conduct all of its business activities and operations in an open, honest and ethical manner and the Group adopts a zero-tolerance approach to all forms of bribery and corruption.

All new on-boarding employees will be briefed on the Practices as part of an induction process on their first working day. Training and awareness programs on the Practices will be conducted from time to time. Any changes on the Practices will be updated and circulated via intranet to all employees.

Compliance with ABC policy	FYE 2022	FYE 2023
No. of staff disciplined or dismissed due to non-compliance with ABC policy	Nil	Nil
Fines, penalties or settlements from regulatory authorities in relation to corruption (RM)	Nil	Nil
Total employees briefed/trained	18	22

A whistle-blowing channel has also been established for Directors, employees and associated persons to report any improper conducts. Improper conducts may include fraud, crime, misuse of confidential information and etc. The whistle-blower will be accorded with protection of confidentiality of identity, unless the law required otherwise. In FYE 2023, there was one (1) (2022: 0) whistleblowing report received by the Group and the case was being resolved by the management.

Procurement Practices

The Group is committed to enhance its procurement process and engage with its suppliers to identify and manage risks and opportunities for improvement in productivity and efficiency. These efforts are underpinned by values of integrity and transparency. In addition to such commitment, the Group conducts periodical review of our supplier performance evaluations to ensure a smooth and efficient supply chain.

Furthermore, the Group strives to purchase locally whenever possible to support local businesses and economies. By sourcing our materials, goods and services locally, we contribute to the growth and development of the communities in which we operate. The Group considers this approach to be fundamental to its business, from raw material procurement to product delivery in its procurement process. The procurement performance is presented as follow: -

Suppliers	FYE 2022		FYE 2023	
	Number of suppliers	Amount (RM'000)	Number of suppliers	Amount (RM'000)
Local	961	140,221.74	953	120,529.11
Non-local	39	22,231.34	33	18,969.43
Total	1,000	162,453.08	986	139,498.53
Percentage (Local/Total)	96%	86%	97%	86%

These figures demonstrate the Group's strong commitment to sourcing locally, with local suppliers accounting for a significant percentage of total procurement amount in both financial years.

Customer Engagement

The Group's revenue largely depends on interaction between our Business Development team and both new and existing customers. Therefore, it is crucial to prioritise customers' satisfaction by promptly addressing their feedback and concerns. Various initiatives have been implemented to ensure the delivery of highest quality products to our customers.

1) Product Quality

The Group places great importance on delivering high-quality customised product solutions to its customers as a cornerstone of business growth. Consequently, the Group is dedicated to maintaining and improving product quality to foster trust, enhance brand reputation and ensure customer loyalty. Our control measures and manufacturing processes strictly adhere to the principles and requirements outlined in ISO 9001:2015 Quality Management System ("QMS").

Regular audits and training sessions on ISO 9001:2015 are conducted to ensure adherence with established standards and processes. These audits play a crucial role in assessing the effectiveness of quality control measures, ultimately contributing to ongoing enhancement of product and service quality, customer satisfaction and overall organizational efficiency.

2) Customers' survey

The Group measures its customers' level of satisfaction through an annual customer satisfaction index in areas of product quality, service, delivery and cost. The survey serves as two-way communication between the Group and its customers. The feedback collected enables the Group to identify areas of improvement, and to assess the need for and effectiveness of any corrective and prevention procedures.

3) Data privacy and safety

In relation to Group's data privacy and safety, security measures are in place and non-disclosure agreements have been signed to safeguard the proprietary information belonging to the Group and its customers. These agreements are reviewed by the Group's Head of Internal Audit on yearly basis. Furthermore, all customer data and information are handled responsibly, reflecting the Group's commitment to ethical business practices.

2. ENVIRONMENTAL

The Group is committed to continuously manage its greenhouse gas ("GHG") emissions to keep them at reasonable levels. In line with this commitment, the Group actively engages in responsible energy consumption and emission reduction efforts. The ISO14001:2015 Environment Management Systems obtained by the Group helps it to systematically manage its environment responsibilities. In addition, the Group is mindful of adhering to all applicable environment laws and regulations.

The assessment of the Group's GHG emissions is expected to be completed in the next financial year.

Waste management

As a packaging manufacturer, our printing and production activities inevitably generate waste, including paper waste and scheduled waste. In our operations, we prioritise proper segregation, conversion and/or recycling of the waste produced.

1) Paper waste and other materials

The Group primarily deals with paper-based products which are recyclable by nature. For example, corrugated cartons consist of a combination of kraft, medium and liner paper. The waste generated from its production is collected for recycling purposes. To facilitate the collection of paper waste, baler machines have been installed at each factory. The waste collected is compressed into compact blocks to ease handling, transport and storage.

In addition to paper waste, other materials such as Polyurethane (“PU”), Polyethylene (“PE”) and plastic waste, which can be diverted from landfills through recycling, are also collected. The total weight of waste collected for recycling in the past 2 financial years is as follows: -

	FYE 2022	FYE 2023
Paper waste weight (KG)	5,046,530	4,977,350
PU (KG)	4,263	2,833
PE (KG)	26,712	19,071
Plastic (KG)	489	558
Total	5,077,994	4,999,812

2) Scheduled waste

In the course of production, the Group generates ink waste and other wastes with hazardous characteristics, classified as scheduled wastes under Scheduled Waste Regulations 2005. These wastes are classified under various waste codes: -

Waste Code	Description
SW 109	Waste containing mercury or its compound
SW 110	Waste from electrical and electronic assemblies
SW 305	Spent lubricating oil
SW 409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes
SW 410	Rags, plastics, papers or filters contaminated with scheduled wastes
SW 416	Sludges of inks, paints, pigments, lacquer, dye or varnish
SW 417	Waste of inks, paints, pigments, lacquer, dye or varnish
SW 418	Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent
SW 422	A mixture of scheduled and non-scheduled wastes

The waste generated are kept in plastic drums, jumbo bags, pallets or other suitable containers, labelled with our name, address and telephone number, along with other information such as waste characteristics, waste code, waste name and date of waste generation. These containers are stored at secured scheduled stores in our factories before disposal.

Reputable and licensed waste collectors are engaged to handle the waste. The Group maintains accurate and up-to-date inventory, generation, treatment and disposal records of scheduled waste, which are submitted to the Department of Environment online.

Total scheduled waste generated are as follows: -

	FYE 2022	FYE 2023
SW 109	0	108
SW 110	360	392
SW 305	1,350	2002
SW 409	3,807	2,540
SW 410	3,886	2,051
SW 416	12,105	18,738
SW 417	4,217	9,667
SW 418	3,014	3,864
SW 422	253	0

These figures underscore our commitment to sustainable waste management practices and our ongoing efforts to reduce our environmental footprint.

Energy Management

During the year under review, the Group continued to optimise energy efficiency by implementing the following energy-saving activities: -

- Installed inverter at high amp machinery and equipment;
- Installed LED lighting to conserve energy; and
- Replaced small fans with big fans.

A total six (6) factories of the Group were equipped with solar panels, which were completed in stages from February 2023. The total installed capacity was 1,475.05 kWp. This investment was aimed at reducing our Group's carbon footprints. Total electricity consumption is as follows: -

	FYE 2022	FYE 2023
Total electricity consumption (kWp)	4,223.19	2,434.40
Renewable Solar energy generated (kWp)	0	1,382.46

Based on the table above, the Group has achieved a remarkable reduction of approximately 42% in total electricity during the reporting period. The efficiency of energy consumption is monitored on a monthly basis.

Alongside the installation of solar panels, the Group has replaced its diesel forklifts with electric forklifts on its production floor. The electric forklifts help to reduce carbon emissions indirectly, as they are powered by renewable energy.

Water Management

To maintain environment sustainability, the Group strives to improve its water management practices and reduce water wastage. The Group primarily obtains water supply from municipal water suppliers for use in productions. The table below demonstrates our water consumption over the past 2 financial years: -

	FYE 2022	FYE 2023
Water consumption (m ³)	51,735	40,987
Water treated (m ³)	2,842	3,796

As set out in the table above, there was a significant 21% reduction in total water consumption in FYE 2023. Such reduction reflects the Group's proactive efforts to minimize water usage, in alignment with our sustainability goals and responsible resource management practices.

All wastewater generated by production is stored in secured wastewater storage facilities. The wastewater is treated via a water treatment system to ensure its quality complies with the requirements set by the relevant regulatory bodies before being discharged into the environment or recycled.

In addition to the above, the Group has implemented the following measures to reduce water consumption in its operations: -

- Recycling water from water treatment plant; and
- Harvesting rain water for toilet use.

These initiatives demonstrate the Group's commitment to sustainable water management practices.

Biodiversity and Conservation

As part of the Group's ESG commitment, the Group believes that biodiversity is essential for maintaining the health of ecosystems and ensuring the well-being of present and future generations. The Group purchases its raw materials from sources holding Forest Stewardship Council ("FSC") certification as a contribution towards the protection of the forest. FSC, an organisation that promote responsible management of the world's forests via timber certification, is a globally recognised certification system with million hectares of forestland certified under its forest conversation standards. The Group obtained its FSC certification on 11 January 2019.

With this certification, customers are more confident that the products they are buying come from a responsible source. In addition, the certification helps in enhancing marketing possibilities.

During the year under review, the Group has a total 12 (2022: 12) suppliers with FSC certification.

3. SOCIAL

Human Capital Management

The Group values our workforce as our most valuable assets. As such, human capital management is pivotal to our Group's long-term success and sustainability. We are dedicated in prioritising the well-being of employees who have played a major role in driving the growth of the Group. As of the reporting period, we have a total of 999 (2022: 1,032) full time employees. The employees are guided by the Employee Handbook and Code of Ethics and Conduct.

Human Rights

The Group adheres to labour standards and human rights guidelines and legislation. It prohibits the use of forced labour, human trafficking and any form of child labour in its business activities. Foreign workers employed by the Group receive same privileges as local employees, including public holiday, salary scales and benefits. In addition, they are provided with worker's dormitories that comply with the Employee Minimum Standard of Housing, Accommodations and Amenities Act 1990 ("EMSHAAA 1990").

The Group is in compliance with the Employment (Amendment) Act 2022, which aims to increase and improve the protection and welfare of employees and ensure that labour law provisions align with the international labour standards. The amendments cover working hours, leave management and flexible working arrangements.

Furthermore, the Group strives to maintain a workplace free from any harassment and violence, fostering a positive work environment to enhance employee satisfaction, motivation and commitment. Such environment ultimately boosts productivity and contributes to the Group's success. Notably, no complaints regarding human right violations or unfair treatment of employees were filed during the reporting period.

Fair remuneration packages

The Group has implemented an employee remuneration policy that is fair and substantive, linked between individual contribution and performance. Employee performance assessments are conducted annually. Promotions or increments in remuneration is based on merit assessment without any discrimination of gender or race or nationality. This exercise is crucial to ensure that the Group remains competitive in attracting, motivating and retaining talent who is important to Group's sustained growth. Employees' contributions to the Group are measured against their respective key performance indicators, with excellent performers receiving attractive cash rewards.

Diversity and equal opportunities

The Group is committed to providing equal opportunities within the workplace and does not discriminate against age, gender, ethnicity or nationality, apart from preference for locals over foreigners in staff recruitment. In addition, the Group promotes the right to work of persons with disabilities and has provided them with equal employment opportunities. The Group believes that diversity brings a wealth of perspectives and ideas that can contribute to growth and innovation.

The table below shows a breakdown of the Group's employees: -

	FYE 2022		FYE 2023	
	Number	%	Number	%
Employees by Gender				
- Male	668	65%	660	66%
- Female	364	35%	339	34%
Total	1,032		999	
Employees by Ethnicity				
Local				
- Malay	314	31%	286	29%
- Chinese	287	28%	281	28%
- Indian	138	13%	126	12%
Non-local	293	28%	306	31%
Total	1,032		999	
Employees by Age				
< 30 years old	372	36%	338	34%
30-49 years old	495	48%	492	49%
>50 years old	165	16%	169	17%
Total	1,032		999	
Employees by Age				
Management	94	9%	90	9%
Executive	273	27%	276	28%
Non-executive	665	64%	633	63%
Total	1,032		999	

Among the employees of the Group, a total of 20 (2022: 21) are disabled persons. During the reporting period, the Group has employed an additional 106 (2022: 186) new employees and 113 (2022: 175) employees have resigned.

Training and development opportunities

The Group has put a great emphasis on ongoing training and upskilling of the workforce, aiming to provide the employees a greater understanding of their responsibilities within their role and to enhance overall performance. In-house trainings covering various areas are frequently organised to increase the competency of workers. In addition, employees are also encouraged and sponsored to attend external seminars, webinars, workshops and exhibitions, for them to keep abreast of new developments in their respective field of expertise.

The table below demonstrates the total training hours of employees over the past 2 financial years: -

	FYE 2022	FYE 2023
Number of participants	163	123
Total hours	671.5	306.3

Occupational Safety and Healthy (“OSHA”)

The safety and health of our employees remain a priority. Hence, the Group strives to provide a safe and healthy working environment for all employees. In this respect, the Group places utmost importance on compliance with all relevant safety and health laws and regulations. Various strategies have been developed to minimise the number of workplace accidents, including: -

- Placing handling manual at workplace;
- Implementing safety measures, safety signboards;
- Promoting 5S (Sort, Set, Shine, Standardise and Sustain);
- Providing safety and health education and trainings, such as fire drills and evacuations exercises;
- Ensuring functionalities of fire preventive equipment and systems; and
- Conducting regular inspection on machines.

Our goal is to achieve an injury-free workplace with zero accidents. To achieve this target, the Group conducts safety training and programs to ensure our employees understand their roles and responsibilities. During the reporting period, various safety trainings were arranged to increase employees’ awareness. The trainings include: -

- Occupational safety & health coordinator;
- Kursus Asas Organisasi Keselamatan Kebakaran;
- Kursus Keselamatan Kebakaran Bagi Pasukan Tindakan Kecemasan; and
- Basic First Aid and Cardiopulmonary Resuscitation (“CPR”).

The table below demonstrates the total training hours on OSHA and total incidents recorded during the reporting period: -

	FYE 2022	FYE 2023
No. of safety training/programme	3	1
Total training hours	63	7
Total staff trained	79	3
No. of fatality	Nil	Nil
No. of hours worked	Nil	Nil
Lost time incident rate (“LTIR”)	Nil	Nil

To monitor and manage safety risks, the Head of Internal Audit regularly conducts safety audits and inspections at each factory.

Community and society’s well-being

The Group is firmly committed to contributing to the betterment of society. In line with this aim, the Group engages with the local communities through various initiatives, including charitable contributions, sports events, scholarships and internship programs, details as follows: -

- The Group continues its support to a wide range of charities. During the year, donations amounting to RM120,000 (2022: RM120,000) were made to charitable organisations, including the Buddhist Tzu Chi Merit Society Malaysia.
- The Group participates in fun walks organized by the Penang State Government, aiming to promote a happier and healthier lifestyle while also supporting well-being of the employees. This initiative indirectly fosters a balanced lifestyle among the employees and the community.
- The Group sponsors the full tuition fees for Malaysia students pursuing diploma and bachelor degree studies at local institutions of higher learning. As at to-date, a total of 5 (2022: 5) students have been awarded scholarships under the Group’s program.
- The Group supports internship programs in partnership with several local universities and/or colleges. Students are assigned to different positions within the Group’s operations to gain practical training in their designated areas. These programs provide the students insights into our business operations and enable the Group to tap into talents upon their graduation. During the year under review, a total of 6 (2022: 3) students were provided internship opportunities.

Conclusion

The Board will continuously review and assess the sustainability performance of the Group's operations to improve and enhance existing practices. This ongoing effort aims to enable the sustainable creation and preservation of long-term value for the Group's stakeholders.

Sustainability Topics as required by Bursa Malaysia Securities Berhad

NO.	TOPIC	ITEM	DESCRIPTION	RESPONSE FY2022	RESPONSE FY2023
1	Community/Society	(a)	Percentage of employees who have received training on anti-corruption by employee category	Senior Management : 6% Executive : 3% Non-executive : 2%	Senior Management : 4% Executive : 11% Non-executive : 0%
		(b)	Percentage of operations assessed for corruption-related risks	2%	3%
		(c)	Number of confirmed incidents of corruption and action taken	0 incident	0 incident
2	Community/Society	(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM81,369	RM131,586
		(b)	Total number of beneficiaries of the investment in communities	8	11
3	Diversity	(a)	Percentage of current employees by gender and age group, for each employee category	Senior Management <i>by gender</i> Male : 6% Female : 3% <i>by age group</i> <30 years old : 0% 30-49 : 5% 50 years old and above : 4% Executive <i>by gender</i> Male : 13% Female : 14% <i>by age group</i> <30 years old : 8% 30-49 : 17% 50 years old and above : 1% Non-executive <i>by gender</i> Male : 46% Female : 18% <i>by age group</i> <30 years old : 28% 30-49 : 26% 50 years old and above : 11%	Senior Management <i>by gender</i> Male : 6% Female : 3% <i>by age group</i> <30 years old : 0% 30-49 : 5% 50 years old and above : 4% Executive <i>by gender</i> Male : 13% Female : 15% <i>by age group</i> <30 years old : 7% 30-49 : 19% 50 years old and above : 1% Non-executive <i>by gender</i> Male : 47% Female : 16% <i>by age group</i> <30 years old : 27% 30-49 : 25% 50 years old and above : 12%

NO.	TOPIC	ITEM	DESCRIPTION	RESPONSE FY2022	RESPONSE FY2023
	Diversity	(b)	Percentage of directors by gender and age group	Directors by gender Male : 88% Female : 12% Directors by age group <30 years old : 0% 30-49 : 63% 50 years old and above : 37%	Directors by gender Male : 88% Female : 12% Directors by age group <30 years old : 0% 30-49 : 63% 50 years old and above : 37%
		(c)	The number of independent board directors as a percentage of all directors	38%	38%
		(d)	The number of female senior management as a percentage of senior management	31%	53%
4	Energy Management	(a)	Total energy consumption (kWp)	4,223.19	2,434.40
5	Health and Safety	(a)	Lost time incident rate ("LTIR")	Nil	Nil
		(b)	Total number of employees trained on health and safety standards	79	3
		(c)	Number of work-related fatalities, high-consequences injuries, recordable injuries, recordable work-related ill health cases	0 fatalities 0 injuries 0 ill health cases	0 fatalities 0 injuries 0 ill health cases
6	Labour practices and standards	(a)	Total hours of training by employee category	671.5	306.3
		(b)	Percentage of employees that are contractors or temporary staff	13%	14%
		(c)	Total number of employees turnover by employee category	Senior Management : 0 Executive : 21 Non-executive : 154	Senior Management : 0 Executive : 23 Non-executive : 90
		(d)	Number of substantiated complaints concerning human rights violations (cases)	0	0
7	Supply chain management	(a)	Proportion of spending on local suppliers	86%	86%
8	Data privacy and security	(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (cases)	0	0
9	Water	(a)	Total volume of water used (m ³)	51,735	40,987
10	Waste management	(a)	Total waste diverted (i) from disposal (ii) to disposal	The details on waste management are set out in page 23 & 24 of the Annual Report	The details on waste management are set out in page 23 & 24 of the Annual Report

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of adopting and maintaining high standards of corporate governance and is fully committed to conducting the Group's affairs in a transparent and objective manner, with full accountability and integrity. The Board strives to safeguard shareholders' investments and stakeholders' interests, thereby enhancing their values. This Corporate Governance Statement pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") outlines the Group's corporate governance practices and aims to provide vital insights to the shareholders, potential investors and stakeholders.

The full CG Report 2023 is available on the Company's website, www.pph.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board is fully responsible for the overall governance and performance of the Group in accordance with Group's objective. The Board's role is to lead and control the Group's business and affairs on behalf of shareholders. The Board takes into consideration the interests of all stakeholders in their decision making so as to ensure the Group's objective of creating long term shareholder value is met. The Board assumes the following key responsibilities, among others: -

- a. Develop and evaluate the Group's succession planning and talent management plans;
- b. Review, approve and monitor implementation of the strategies and business plans of the Group that supports long-term value creation by incorporating sustainability – environment, social and governance ("ESG") elements;
- c. Monitor and evaluate performance of the Group's business operations and evaluate the adequacy and integrity of the Group's financial and non-financial reporting;
- d. Oversee conduct of the Group's business, ensuring that affairs are carried out ethically and in full compliance with relevant laws and regulations;
- e. Identify principal risks and ensure execution of appropriate Risk Management and Internal Control procedures;
- f. Ensure that Senior Management has the necessary skills and experience, and that there are measures in place to provide for orderly succession of the Board; and
- g. Supervise the implementation of shareholders' communication policy.

The Group's succession planning is set out as below: -

- a. Developing a recruitment and communication strategy;
- b. Identifying expected critical position vacancies;
- c. Determining critical position;
- d. Identifying current and future competencies;
- e. Identifying gaps in current employees' competency levels;
- f. Developing individual development plans for employees;
- g. Developing and implementing coaching and mentoring programmes; and
- h. Assisting with leadership transition and development.

Division of responsibilities

The Board delegates the authority and responsibility of managing day-to-day operations of the Group to the Management Team led by the Executive Chairman. The Management Team is also responsible for implementation of business plans and strategies, policies and decisions approved by the Board and communication of matters to the Board.

Non-Executive Chairman

The Non-Executive Chairman acts as a spokesperson for the Board and represents the Group to the shareholders. He is responsible for the overall strategic direction of the Group and takes a leading role in creating an effective corporate governance system, setting the tone at the top of practising and promoting ethical practices, good governance, as well as legal and regulatory compliances. He is also responsible for managing the boardroom dynamics, promoting a culture of openness and debate to build a high-performance board and effectuate robust decision making.

Executive Directors

The Executive Chairman is supported by the three (3) Executive Directors in day-to-day management of the Group. The Executive Directors form part of the Senior Management team and have an overall responsibility over the business operations, organisational effectiveness and efficiencies, formulation of strategies and implementation of Board policies and decisions. They are also responsible for fostering relationships with regulators and stakeholders. In light of their technical expertise and knowledge of the business and its industry, they add value to the Board's decision-making process by offering an intimate view of the workings within the Group as well as the strategic plan in action.

Independent Non-Executive Directors

The Non-Executive Directors are independent of management and free from any business or other relationships that could materially interfere with the exercise of their independent judgement, enabling their contribution towards corporate accountability. They take into account interest of the Group, shareholders, stakeholders and the communities in which the Group conducts its business, providing their unbiased and impartial views, advice and judgement. It is also their responsibility to ensure financial information announced are accurate and that the Risk Management and Internal Control systems are robust and defensible. Furthermore, the INEDs play a key role in the evaluation and review of the Board's performance and remuneration.

The Board had established several Board Committees whose compositions and Terms of Reference are in accordance with MMLR and the best practices prescribed by MCCG. The Board Committees are as below: -

- a. Audit and Risk Management Committee ("ARMC");
- b. Nominating Committee ("NC");
- c. Remuneration Committee ("RC"); and
- d. Scheme Committee ("SC").

Matters Reserved for The Board

The Board Charter further defines matters that are reserved for the Board's deliberations and decision making. These matters require approvals from the Board, except where they are expressly delegated by the Board to the Management. The reserved matters include: -

- a. Approval of financial results announcements, Annual Report and financial statements;
- b. Matters covered by statutory requirements, Best Practice Guide and Corporate Governance;
- c. Annual review on the remuneration package for the Board;
- d. Revision of Board Remuneration Policy;
- e. Develop and evaluate the Group's succession planning and talent management plans;
- f. Monitor and evaluate performance of the Group's business operations and activities;
- g. Oversee conduct of the Group's business, ensuring that affairs are carried out ethically and in full compliance with relevant laws and regulations;
- h. Dividend policy;
- i. Supervise the implementation of shareholders' communication policy; and
- j. Matters that may have material impacts on the system of internal controls; or significantly exposes the Company and the Group to financial or operating risks.

These reserved matters are reviewed at least once a year.

Sustainability Management

The Board considers various sustainability considerations, including the economic, environment and social ("ESG") performance of the Group, in the development and implementation of the Group's business strategies and operations to maximise long-term value creation and achieve operational excellence.

In governing the sustainability matters, the Board is supported by the Group Managing Director and assisted by Senior Management in managing sustainability-related matters. The team advises on and recommends sustainable business strategies for adoption by the Board. The team convenes monthly to review and discuss on sustainability matters. The identified sustainability matters will be then reported by the Group Managing Director to the ARMC and the Board during the annual assessment.

The team conducts an annual material assessment to identify the most significant ESG issues of the Company. The results of the assessment are approved and endorsed by the Board. The identified material issues identified are clearly outlined in the Sustainability Statement.

Company Secretaries

The Joint Company Secretaries assume key advisory roles to the Board on matters in relation to statutory and regulatory compliances, best corporate governance practices, Board's policies and procedures, as well as Directors' duties and responsibilities. The Board is satisfied with the performances and competencies demonstrated.

During the financial year, the Joint Company Secretaries have performed, among others, the following tasks: -

- a. Served notices on close period to the Directors notifying them of the close periods for trading of shares, pursuant to MMLR;
- b. Attended all Board meetings and ensured meetings are properly convened;
- c. Ensured accurate recording of minutes of proceedings and proper maintenance of secretarial records;
- d. Supported the Board in ensuring adherence to Board policies and procedures; and
- e. Facilitated the provision of information as requested by the Directors.

Supply of Information

Members of the Board are supplied with unrestricted and timely information to enable effective discharge of their duties and responsibilities.

To facilitate the Directors' time planning, the Board meetings as well as Board Committee meetings are scheduled and circulated to them before the beginning of every year. Special Board meetings may be convened to consider urgent proposals or matters that require expeditious decisions or deliberation by the Board. Relevant agendas and board papers containing management and financial information are distributed at least five (5) business days in advance of each Board meeting for their perusal and consideration, to enable active participation during meetings and to facilitate informed decision making. Furthermore, all Directors are regularly updated on the statutory and regulatory requirements relating to their duties and responsibilities.

The Directors have individual and independent access to the advice and dedicated support services of the Joint Company Secretaries in ensuring effective functioning of the Board. The Board may interact directly with the Management Team on issues under their respective purview. In addition, the Board may consult external experts for their independent and professional opinion in furtherance of its duties, at the Group's expense.

Board Charter

The Board Charter delineates the Board's strategic intent and sets out key values and principles of the Group. It defines the roles, powers and responsibilities of the Board and its Directors. It acts as a source of reference and primary induction literature for prospective Board members, as well as assisting the Board in assessment of its collective performance and that of each individual Director.

The Board Charter is reviewed at least once a year, reflecting changes in regulations and best practices, and to update its relevance and effectiveness. A copy of the Board Charter can be accessed from the Group's website.

Code of Ethics and Conduct

A Code of Ethics and Conduct with the objective of creating an ethical corporate climate had been adopted by the Group. It provides guidance on the standards of behaviours expected from the Directors, employees as well as any other persons who represents the Group in execution of their duties and functions. It also outlines the principles on the conduct of business and interaction with business partners, customers, government and community and general workplace behaviour. Apart from advising the Board and the employees on the manner in which they should act when making decisions and carrying out their daily work activities, the Code of Ethics and Conduct also provides guidance on maintaining confidentiality and disclosure of information, disclosure of conflict of interest, internal control and anti-competition practices as well as the duty to protect the Group's assets. In formulation of the Group's Code of Ethics and Conduct, reference has been made to the Code of Ethics for Directors, highlighting principles in relation to transparency, integrity, accountability and corporate social responsibility.

A copy of the Code of Ethics and Conduct is published on the Group's website. The code is subject to regular review. All employees are required to read, understand and abide by the Code of Ethics and Conduct.

Anti-Bribery and Corruption ("ABC") policy

The Group's ABC policy was prepared and approved by the Board on 22 February 2021. The policy is intended to provide Directors, employees and associated persons of the Group with information on how the Group combats bribery and corruptions in furtherance of Group's business dealings. Besides, the policy is to ensure that all relevant persons are aware of their obligation to disclose any corruptions, bribes, conflicts of interest or similar unethical acts that they may encounter, and to comply with this Policy to follow the highest standards of ethical conduct of business.

The policy should read in conjunction with the Code of Ethics and Conduct and Whistle-blowing policy of the Group.

Whistle-blowing policy

The Board has established and adopted a Whistle-blowing Policy. The purpose of the policy is to provide an avenue for Directors, employees and any external parties to raise their concerns on improper conduct and malpractice.

Any person who knows of or suspects a violation of the Code of Ethics and Conduct is encouraged to lodge report with the Managing Director of the Group or email to dedicated whistleblowing email address, b_m@pph.com.my. The violation may include fraud, criminal, misuse of confidential information and etc. The Group will treat all information received confidentially and protect the identity and interest of all whistle-blowers. In FYE 2023, there was one (1) (2022: 0) whistleblowing report received by the Group and the case was being resolved by the management.

Conflict of Interest and Recurrent Related Party Transactions ("COI") Policy

The Group has formalised and adopted the COI Policy for the Directors and employees of the Group. The policy aims to effectively identify, address and manage a wide range of COI situations, including those that are actual, potential, or perceived in nature. The policy also serves as a guide to the Board in discharging their role, which is to provide insight and review any COI situation that arose or may arise within the Group.

A copy of this policy can be accessed from the Group's website and the policy should be read in conjunction with the Code of Ethics and Conduct, ABC policy and Whistleblowing policy of the Group.

Director's Fit and Proper policy

The Group's Directors' fit and proper policy was approved by the Board on 30 May 2022. The policy outlined the fit and proper criteria for the appointment and re-appointment of Directors to the Board, as well as the appointment of Senior Management of the Group. A copy of this policy can be accessed from the Group's website.

2. BOARD COMPOSITION

Composition and Size of the Board

The Board comprises four (4) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, in compliance with Paragraph 15.02 of the MMLR where at least one third (1/3) of the Board members must be Independent Directors. Members of the Board are of diverse backgrounds, specialisation, experience, character and age.

Tenure of Independent Directors

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years in accordance with Malaysian Code on Corporate Governance ("MCCG") 2021 and Paragraph 1.01, 1(h) Appendix 8A, Part A(g) of Appendix 9A and Practice Note 13 of the MMLR. Upon completion of nine (9) years' service, an Independent Director may continue to serve on the Board but may be re-designated as a Non-Independent Director. However, the Board may at its discretion after the evaluation the performance of the Independent Director who exceeded a cumulative term of nine (9) years, seek annual shareholders' approval via two-tier voting process at the AGM to retain the said Director as an Independent Director.

In considering each Director's independence, the Board must conduct a vigorous review of his/her background and current activities to determine whether he/she can act independently of the management, or whether his/her independence has been impaired. In this regard, the Board will also take into account the need for progressive refreshing of the Board to ensure its effectiveness.

As at date of this Annual Report, none of the Independent Directors have exceeded a cumulative of term of nine (9) years.

Board Diversity

The Board acknowledges the recommendation of MCCG pertaining to the establishment of boardroom gender diversity policy. However, the Group does not adopt any formal gender diversity policy in the selection of new Board candidate and does not have specific policies on setting target for female candidates in the workforce. The evaluation of suitability of candidates as new Board member or as a member of workforce is still based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting needs of the Group, regardless of gender.

As at date of this Annual Report, the Board currently has one (1) female Director, in compliance with paragraph 15.02(1)(b) of the MMLR.

Time Commitment

During the financial year, the Directors have demonstrated their ability to devote sufficient time and commitment to their respective roles and responsibilities. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Group. This is evidenced by the attendance record of the Directors at the Board and Committee meetings held during the financial year 2023, as set out below: -

Meeting attendance	Board	ARMC	NC	RC	AGM
Koay Chiew Poh	5/5	-	-	1/1	1/1
Koay Chiew Kang	5/5	-	-	-	1/1
Koay Teng Liang	5/5	-	-	-	1/1
Koay Teng Kheong	5/5	-	-	-	1/1
Nurjannah Binti Ali	5/5	-	-	-	1/1
Soon Poh Lean (Appointed on 3 April 2023)	4/5	4/5	-	1/1	1/1
Sek Weng Yew (Appointed on 3 April 2023)	4/5	4/5	-	1/1	1/1
Tang Boon Lee	5/5	5/5	2/2	1/1	1/1
Ng Thim Fook (Resigned on 4 April 2023)	2/5	2/5	2/2	1/1	-
Ong Eng Choon (Resigned on 4 April 2023)	2/5	2/5	2/2	-	-

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, each of the Directors must not hold more than five (5) directorships in public listed companies and shall notify the Chairman of the Board before accepting any new appointment.

Nominating Committee (“NC”)

The NC of the Company has been established since 2002. The Committee Members are as follows: -

Koay Chiew Poh	- Chairman, Non-Independent Non-Executive Director
Soon Poh Lean	- Member, Independent Non-Executive Director
<i>(Appointed on 3 April 2023)</i>	
Dr. Sek Weng Yew	- Member, Independent Non-Executive Director
<i>(Appointed on 3 April 2023)</i>	
Tang Boon Lee	- Member, Independent Non-Executive Director

The full Terms of Reference setting out the NC’s composition, meeting procedures, authority, and functions and duties can be viewed at the Company’s website, www.pph.com.my.

The NC is primary responsible to ensure that the procedures for appointment of new Directors are transparent, rigorous and that appointments are made on merit and against objective criteria for the purpose. The Committee does not rely solely on recommendations from existing directors, management or major shareholders in identifying candidates. In addition, the Committee will perform background checks on the individual’s character and bankruptcy search prior to the appointment.

The NC meets as and when required, and at least once a year. As at date of this Report, three (3) meetings were held, which were attended by all members.

As at the date of this report, the following key activities were undertaken by the NC: -

- i. Reviewed the Term and Reference of NC and Directors’ Fit and Proper Policy;
- ii. Appointment of new directors;
- iii. Identified the Directors who are due for re-election by rotation or re-appointment pursuant to the Company’s Constitution;
- iv. Identified the newly appointed Directors who will stand for election in accordance with Article 106 of the Company’s Constitution;
- v. Reviewed and assessed the character, experience, integrity and competence of Senior Management;
- vi. Reviewed the Continuing Education Programmes attended by the Director; and
- vii. Evaluated and determined training needs of the Director.

Appointment of new director

On 3 April 2023, the NC undertook the process for appointment of new INEDs, Mr. Soon Poh Lean and Dr. Sek Weng Yew, in view of the resignation of Mr. Ng Thim Fook and Mr. Ong Eng Choon as Non-Independent Non-Executive Directors of the Group. Mr. Soon Poh Lean was then appointed as a Non-Executive Chairman of the ARMC effective from 29 May 2023, and Mr. Koay Chiew Poh was appointed as a Non-Executive Chairman of NC and RC in place of Mr. Ng Thim Fook who had voluntarily tendered his resignations as chairman of the relevant Committees.

The NC had adhered to a formal and transparent procedure in the process of the aforementioned appointments, as guided by the Group’s Fit and Proper Policy. Prospective candidates were identified from various sources and consideration was given to the age, qualifications, skills, experience, and knowledge of the respective candidates. The profiles of shortlisted candidates were escalated to the Board for approval.

Board Evaluation and Board Independence

On 26 February 2024, The NC undertook an evaluation process involving the Board, Board Committees and Directors’ self and peer assessment. The criteria and procedures undertaken are as follows: -

- a. The NC conducted Board Evaluation via questionnaires and assessed Board effectiveness in terms of composition, conduct, accountability and responsibility of the Board and Committees in accordance with the relevant Terms of Reference. The Directors’ self and peer assessment was conducted to evaluate the mix of skills, experience and individual Director’s ability to contribute to the development of Group and towards Board’s effectiveness. The NC also evaluated the independence of Independent Directors based on the criteria of “Independence” as prescribed by the MMLR.
- b. The evaluation process was led by Chairman of the NC with support from the Company Secretary. The NC reviewed feedbacks gathered from the evaluation, identified areas for improvements to enhance effectiveness of the Board, and recommended actions to be taken.
- c. The Board Evaluation carried out was properly documented.

The Board is satisfied with the level of commitment given by each Director towards the fulfilment of his/her role and responsibilities. The assessment results, therefore, form a basis for the NC to recommend to the Board for re-appointment of Directors.

Subsequent to the board evaluation, the following directors were identified to retire by rotation pursuant to Article 99 of Company's Constitution and for re-election at the forthcoming AGM of the Company.

- i. Koay Chiew Poh;
- ii. Koay Teng Liang; and
- iii. Koay Teng Kheong.

Continuing Professional Development of Directors

All Directors have completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad. Additionally, the Directors have attended relevant trainings and seminars to enhance their skills and knowledge and keep abreast with the latest developments in the prevailing business environment, enabling them to discharge their duties effectively. The details of seminars/trainings attended by the Directors during the year are as follows: -

Director	Seminars/ Training attended
Koay Chiew Poh	- PPH Leadership Talk
Koay Chiew Kang	- Integrating and Operationalising ESG – How to Start - Materiality Assessment – How to carry out effective and meaningful assessments - Carbon Footprint – How to Start and Using the Data - Sustainability ESG Momentum – Maintaining and Improving Performance for Long Term - Audit Oversight Board's Conversation with Audit Committees
Koay Teng Liang	- Digital Transformation – Manufacture's Edition - How to Really Exploit Digital in your Company - PPH Leadership Talk - Webinar: Adopting E-Signature Advance Your Organisation's ESG Goal
Koay Teng Kheong	- Bursa Malaysia: Digital 4 ESG Forum (Exploring the Intersection of Digitalisation and ESG) - Bursa Malaysia: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers - Bursa Malaysia: FTSE4Good ESG Ratings for all PLCs - The Essence of Leadership in the New Normal - PPH Leadership Talk
Nurjannah Binti Ali	- Bursa Malaysia: Mandatory Accreditation Programme Part II: Leading for Impact - Grant Thornton: E-invoicing
Soon Poh Lean	- Bursa Malaysia: Mandatory Accreditation Programme Part I - Audit Oversight Board's Conversation with Audit Committees
Dr. Sek Weng Yew	- Bursa Malaysia: Mandatory Accreditation Programme Part I
Tang Boon Lee	- PPH Leadership Talk

The training programs and seminars attended by the Directors during the financial year include, among others, areas relating to corporate governance, risk management and sustainability. The Directors will continue to undergo other relevant training programs as appropriate to further enhance their professionalism and contribution to the Board.

In addition to the aforementioned external seminars/trainings, the Directors were also briefed by the Group's External Auditors and Company Secretaries on relevant updates on statutory and regulatory requirements during the Board meetings from time to time.

Remuneration Committee ("RC")

The members of the RC are as follows: -

- Koay Chiew Poh - Chairman, Non-Executive Chairman
 Soon Poh Lean - Member, Independent Non-Executive Director
(Appointed on 3 April 2023)
 Dr. Sek Weng Yew - Member, Independent Non-Executive Director
(Appointed on 3 April 2023)
 Tang Boon Lee - Member, Independent Non-Executive Director

The specific responsibility of the RC is to review the remuneration framework and package for the members of the Board and recommends the same to the Board for approval. The remuneration of directors is set at levels that would enable the Company to attract and retain Directors with relevant expertise and the experience necessary to manage the Group effectively. Directors do not participate in decisions regarding their own remuneration packages. The remuneration package of the Executive Chairman is approved by the full Board on the recommendation of the RC.

The current remuneration policy for Directors is as follows: -

(a) Components of remuneration packages and link between the remuneration and business strategy as below: -

(i) *Remuneration package of Executive Directors*

The remuneration package of the Executive Directors consists of both fixed and performance-linked elements. The performance of Executive Directors is reviewed annually by taking into consideration: -

1. The remuneration package that supports the Group's objective and strategies;
2. Accountability and responsibility; and
3. Yearly performance.

(ii) *Fees for Non-Executive Directors*

The fees of Directors, including Non-Executive Directors, are endorsed by the Board for approval by the shareholders of the Company at the AGM. All Non-Executive Directors are paid annual fixed director fees for serving as members of the Board. The Director fee reflects the experience, level of responsibilities and contribution, and the time spent in attending to the Group matters.

(b) Nature of commitments

In determining the appropriate level of remuneration for directors, the Board has taken into consideration the Company's performance in managing sustainability risks and opportunities.

The RC held its annual meeting on 1 April 2024 to review remuneration package of the Executive Directors and Senior Management. This is to ensure the remuneration packages offered are in line with the Group's policies and can attract or retain Directors who contribute to the success of the Group. During the meeting, the Committee had also reviewed the Independent Non-Executive Directors' remuneration packages, benefits and expenses to be incurred by them in the course of carrying out their duties. The proposed Director fees and benefits for the financial year 2024 will be tabled for shareholders' approval at the forthcoming AGM of the Company.

The aggregate remuneration of the Directors of the Group paid or payable by the Group for the financial year under review are as follows: -

	Fee RM'000	Salary RM'000	Bonus RM'000	Other emolu- ments RM'000	EPF & SOC SO & EIS RM'000	Benefit in-kind RM'000	Total RM'000
Executive Director							
Koay Chiew Poh	-	60	-	16	12	18	106
Koay Chiew Kang	-	300	250	247	114	26	937
Koay Teng Liang	122*	300	100	437	168	22	1,149
Koay Teng Kheong	122*	215	204	231	121	34	927
Koay Chue Beng	-	384	193	93	112	26	808
Nurjannah Binti Ali	48 [#]	-	-	-	-	-	48
Non-Executive Director							
Soon Poh Lean	27 [#]	-	-	-	-	-	27
Dr. Sek Weng Yew	27 [#]	-	-	-	-	-	27
Tang Boon Lee	24 [#]	-	-	-	-	-	24
Ong Eng Choon (Resigned on 4 April 2023)	10 [#]	-	-	-	-	-	10
Total	380	1,259	747	1,024	527	126	4,063

* The remuneration paid to Executive Directors was in respect of their employment in the Group's subsidiary companies.

[#] The Director's fee of RM136,000 for the FYE2023 was approved by the shareholders at the 36th AGM and was paid in FYE2023.

The details of the aggregate remuneration (including salary, bonus, benefits in-kind and other emoluments) of the top (5) senior management staff in band of RM50,000 during the financial year are as below: -

Remuneration Range	Number of Senior Management
Between RM400,001 – RM450,000	2
Between RM450,001 – RM500,000	1
Between RM500,001 – RM550,000	1
Between RM550,001 – RM600,000	1

In view of competitive pressures in the labour market on retaining talent, the Board has opted not to disclose the remuneration of senior management on named basis as recommended by the MCCG. The Board believes that disclosure of the remuneration bands is sufficient to meet the objectives of the MCCG.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee (“ARMC”)

The ARMC is tasked to oversight the role on effectiveness of Audit and Risk Management of the Group. Currently, the Committee consist of three (3) Independent Non-Executive Directors. They undertake its role and responsibilities as set out in pages 38 to 40 of this Annual Report.

Assessment of suitability and independence of External Auditors

Through the ARMC, the Board maintains a transparent and professional relationship with the Group’s External Auditor, Grant Thornton. The External Auditors are invited to attend the ARMC meetings to discuss their audit plans, audit findings and statutory financial statements. The ARMC meets with the External Auditors at least twice a year without the presence of the Executive Directors, Senior Management Team or Internal Auditor to discuss management reports and management’s response where the External Auditors are invited to raise any matter that required the Board’s attention.

Great emphasis is placed on the objectivity, suitability and independence of the External Auditors. The ARMC has performed its annual assessment of the performance, technical competency and independence of the External Auditors and has obtained written assurance from the External Auditors confirming their independence throughout the conduct of the audit engagement for the financial year prior to recommending their re-appointment to the Board. Shareholder’s approval will be sought at the forthcoming AGM.

Risk management and internal control

The Board acknowledges its responsibilities to maintain a sound internal control system including financial controls, operational and compliance controls as well as governance and risk management to safeguard of shareholders’ investments, stakeholders’ interests and the Group’s assets. The Statement on Risk Management and Internal Control of the Group are set out in pages 41 to 43 of this Annual Report.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with stakeholders

The Board recognises the importance of a high quality, ongoing dialogue as it helps to build trusts and understanding, as well as providing better appreciation of the Group’s objectives, quality of its management and challenges. Shareholders, prospective investors and stakeholders are kept abreast with the development of the Group through timely release of financial results, along with various announcements made to Bursa Securities. During the AGM, the Chairman delivered a brief presentation on the financial performance and activities of the Group throughout the year. Members of the Board are available to respond to any questions, shareholders may have. The External Auditors are also present to provide their professional and independent clarification on the issues and concerns raised by shareholders.

Conduct of general meetings

The AGM is the primary forum for dialogue and interaction with both institutional and individual shareholders. Members of the Board, the Senior Management team as well as the External Auditors are present to provide clarification to any questions that shareholders may have in relation to the business activities of the Group. It also provides an ideal opportunity for shareholders to communicate their expectations and concerns.

During the meeting, the Chairman will inform shareholders, proxies and corporate representatives on their rights to demand for a poll vote at the commencement of a general meeting. In line with the Group’s Constitution, substantive resolutions are put to vote by poll and the outcome will be announced to Bursa Securities.

At the 36th AGM held on 29 May 2023, members of the Board, the Joint Company Secretaries and External Auditors have attended the meeting. All resolutions put to the meeting were unanimously approved.

Compliance Statement

This CG Overview Statement was approved by the Board on 1 April 2024 and the Board was of the view that the Group has substantially complied with principles and practices that set out in MCCG and the MMLR.

Additional Compliance Information

The following information is provided in compliance with Paragraph 9.25 of the MMLR.

1. **Audit Fees and Non-Audit Fees**

The amount of audit fees and non-audit fees receivable by the External Auditors of the Group during the financial year ended 31 December 2023 are as below: -

Paid By	Audit fee (RM'000)	Non-Audit fee (RM'000)
Company	28	3
Group	209	16

2. **Material Contracts involving Directors and Substantial Shareholders**

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interests, whether still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

3. **Utilisation of Proceeds Raised from Corporate Proposal**

The Company did not undertake any corporate proposal during the financial year ended 31 December 2023.

4. **Recurrent Related Party Transaction of A Revenue or Trading Nature**

Other than related party transactions entered into in the ordinary course of business as disclosed in Note 28 to the financial statements, there are no other significant recurrent related party transactions of a revenue or trading nature.

5. **Employees' Share Scheme ("Scheme")**

At the Extraordinary General Meeting held on 29 August 2017, the Company's shareholders have approved the establishment of a Scheme, which comprises of an Employee Share Option Scheme and an Employee Share Grant Scheme. The Scheme is administered by the Scheme Committee which was appointed by the Board in accordance with the By-laws of the Scheme. The Scheme shall be in force for a period of five (5) years commencing from 6 October 2017 ("Initial Term"), unless extended for another five (5) years.

On 30 May 2022, the Board had approved the extension of the Scheme for a period of another five (5) years from the expiry of the Initial Term in accordance with paragraph 6.2 of the By-laws of the Scheme.

The details of options of the Company granted under the Scheme during the financial year ended 31 December 2023 are as set out below: -

Grant date	Market /Exercise price (RM)	Balance as at 1.1.2023	Granted & accepted	Exercised	Balance as at 31.12.2023
<i>Pursuant to ESGS</i>					
- 16 June 2023	0.625	-	423,200	(423,200)	-
- 8 November 2023	0.730	-	164,000	(164,000)	-
<i>Pursuant to ESOS</i>					
- 21 July 2021	0.560	9,100	-	-	9,100
- 30 June 2022	0.465	32,409	-	-	32,409
- 19 October 2022	0.495	15,978	-	-	15,978

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The details of attendances of each Audit Committee (“ARMC”) members at Audit and Risk Management Committee meetings held during year 2023 are as follows: -

NAME OF ARMC MEMBER	ATTENDANCE AT ARMC MEETINGS
Soon Poh Lean Chairman, Independent Non-Executive Director (Appointed on 3 April 2023)	4/5
Dr. Sek Weng Yew Member, Independent Non-Executive Director (Appointed on 3 April 2023)	4/5
Tang Boon Lee Member, Independent Non-Executive Director	5/5

TERMS OF REFERENCE

The full Terms of Reference setting out the ARMC’s composition, meeting procedures, authority, and functions and duties can be viewed at the Company’s website, www.pph.com.my.

SUMMARY OF ACTIVITIES

The ARMC has discharged its duties as set out in its Terms of Reference. During the financial year, the activities of the ARMC include: -

1. FINANCIAL REPORTING

- (a) The ARMC reviewed the unaudited quarterly financial results with the Management before submission of the same to the Board of Directors for consideration, approval and release to Bursa Malaysia Securities Berhad. The reviews focused on:
 - Changes in or implementation of major accounting policies;
 - Significant matters highlighted, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed; and
 - Compliance with accounting standards and other legal requirements.

2. EXTERNAL AUDIT

- (a) On 20 November 2023, the ARMC together with the External Auditors reviewed the audit plan for the Group and the Company for the financial year ended 2023, outlining audit scope, audit approaches, areas of focus, recent developments in the Group, financial reporting updates and proposed fees for statutory audit prior to the commencement of the annual audit.
- (b) On 26 February 2024 and 1 April 2024, the ARMC reviewed the results of the External Auditors’ audit report together with the Management’s response to the findings of the External Auditors before recommending for the Board’s approval. “Key Audit Matters” prepared in accordance with *International Standards on Auditing 701 Commentary Key Audit Matters in the Independent Auditors’ Report*, were discussed during the meeting.
- (c) The ARMC met with the External Auditors without the presence of the Management on 20 November 2023, 26 February 2024 and 1 April 2024, to discuss assistance provided by the Management to them during the course of audit, and audit findings which they would want to bring to the attention of the ARMC.
- (d) On 1 April 2024, the ARMC assessed the suitability of External Auditors based on MCCG on their:
 - Caliber and quality of work;
 - Independence and objectivity;
 - Communication; and
 - Professionalism.

The ARMC was satisfied that External Auditors meet all the established criteria. In addition, the ARMC obtained written assurance from the External Auditors confirming their independence throughout the conduct of the audit engagement for the financial year. Accordingly, recommendation was made to the Board for their re-appointment to audit the financial statements for the next financial year subject to shareholders’ approval.

3. INTERNAL AUDIT

- (a) On 26 February 2024, the ARMC reviewed and approved the internal audit plans for the financial year ended 2023. During the exercise, ARMC reviewed the adequacy and relevance of the scope, functions, resources, risk-based audit plans, and results of the internal audit processes, with the Head of Internal Audit, and confirmed that she has the necessary authority to carry out the work.
- (b) Audit reports based on audit plan approved by the ARMC were presented by the Head of Internal Audit on 29 May 2023, 21 August 2023, 20 November 2023 and 26 February 2024. The Head of Internal Audit also provided updates to the AMRC in respect of implementation of management plans or agreed course of action on the findings reported during audit.
- (c) On 26 February 2024, the ARMC reviewed the performance of the Internal Auditors based on adequacy of the scope, functions, competency and resources of the Internal Audit function prior to recommendations to the Board on their appointment.

4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

- (a) Reviewed the related party transactions entered into by the Group and by the Company and the disclosure of such transactions in the Annual Report of the Company. The review is to ensure the following: -
 - The transactions were carried out on normal commercial terms and were not prejudicial to the interest of the Group and its minority shareholders;
 - Adequate oversight over the internal control procedures with regard to such transactions; and
 - Compliance with the Group’s policy on related party transactions.
- (b) Reviewed the proposals and circular to shareholders in connection with recurrent related party transactions of revenue or trading nature prior to submitting to Bursa Malaysia Securities Berhad, if any.

5. OTHERS

- (a) ARMC reviewed the extent of the Group’s compliance with the principles and recommendations set out under the MCCG for the purpose of preparing the Statement of Corporate Governance and the Statement of Risk Management and Internal Control for inclusion in the Company’s Annual Report for the financial year ended 31 December 2023. AMRC had recommended to the Board action plans to address the identified gaps between the Group’s existing Corporate Governance practices and prescribed Corporate Governance principles and recommendations under the MCCG.
- (b) Reviewed and revised its Terms of Reference to ensure compliance with the new amendments to the MMLR, which affect the ARMC, for recommendation to the Board for its approval.
- (c) Reviewed the implementation of ABC Policy that was prepared in accordance to “TRUST” principles of the Guideline on Adequate Procedures, pursuant to of Section 17A (5) of MACC Act 2009. The ABC policy was tabled and approved by the Board.

INTERNAL AUDIT FUNCTION

The AMRC is supported by an in-house Internal Audit function in the discharge of its duties and responsibilities. The Internal Audit function reports directly to the ARMC. Its responsibilities include the provision of reasonable assurance to all levels of management concerning the overall control over assets and the effectiveness of the system of internal control in achieving the Company’s overall objectives. The Internal Audit function also includes various internal audits on all operating units of the Group and is required to submit its findings and recommendations to the ARMC and Senior Management of the subsidiaries.

ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Internal Audit function is carried out by a team of in-house Internal Auditors, who reports directly to the ARMC. The Internal Auditors have direct access to ARMC on all internal control and audit issues. The role of Internal Auditors is to assist the ARMC in reviewing, examining and evaluating the effectiveness of the Group’s internal control system whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objective.

The Internal Auditors are independent from the Group’s operations. The Internal Auditors adopt a risk-based approach towards the planning and conduct of audits consistent with the Group’s objective in designing, implementing and monitoring of control system. Annual internal audit plan is developed in consideration of the audit history and the Group’s risk that the Board and Management are focused in, and is approved by ARMC during the first ARMC meeting of the year.

The Internal Auditors carried out its activities based on the annual internal audit plan approved by AMRC. During year 2023, the Internal Auditors completed a total of 124 audit assignments. The audit covered various areas of the Group as follows: -

- (i) Inventory and Warehouse Management;
- (ii) Human Resource and Payroll Management;
- (iii) Production and Quality Control Management;
- (iv) Safety and Health Management;
- (v) Casual Worker and Cash Management;
- (vi) Custom Compliance; and
- (vii) Sales and Service Tax (“SST”) Compliance.

After each audit, the findings and recommendations are submitted to the heads of the subsidiaries in which the audit was carried out. The Management of the audited subsidiary is obliged to respond to the findings of the in-house Internal Auditors. Thereafter, a follow up audit is carried out to ensure that the recommendations of the in-house Internal Auditors are followed through.

The External Auditors also meet up with the in-house Internal Auditors twice a year to exchange views and audit findings. The External Auditors will review the recommendations given by the in-house Internal Auditors to the Group or its subsidiaries in which the audit was carried out.

The Group’s Head of Internal Audit meets with the ARMC on a quarterly basis. The internal audit reports on audits conducted at each audited subsidiary are presented and reported at the ARMC meeting.

In summary, the Board of Directors, working with the ARMC, carries out the ongoing process of monitoring the effective application of policies, processes and activities related to internal control and are responsible to ensure that the Group’s system of internal control is in place.

During the financial year ended 31 December 2023, the Group incurred **RM173,000** to carry out the Internal Audit function performed by the in-house Internal Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is pleased to present the following statement on Risk Management and Internal Control of the Group which has been prepared pursuant to Paragraph 15.26(b) of the MMLR and guided by the “Statement on Risk Management Control: Guidelines for Directors of Listed Issuers”.

BOARD RESPONSIBILITY

The Board recognises the importance of effective Risk Management and Internal Control practices to safeguard shareholders’ investments and the Group’s assets. The Board acknowledges its overall responsibility to identify the principal risks within the Group, ensure implementation of appropriate systems to manage these risks, as well as review the adequacy and integrity of the Group’s system of Internal Control.

These systems are designed to manage the Group’s risks within an acceptable level, rather than to eliminate risk of non-achievement of the Group’s policies, goals and objectives. Therefore, these systems only provide a reasonable but not absolute assurance against material loss or against the Group’s failure to achieve its objectives. For the purpose of these statements, joint ventures are not considered as part of the Group.

The ARMC was set up on 26 February 2018 to oversee and ensure the effective implementation of the Risk Management and Internal Control systems of the Group. The members of the ARMC are as follows: -

Soon Poh Lean - Chairman, Independent Non-Executive Director
(Appointed on 3 April 2023)
Tang Boon Lee - Member, Independent Non-Executive Director
Dr. Sek Weng Yew - Member, Independent Non-Executive Director
(Appointed on 3 April 2023)

Risk Management Team

The Group’s Risk Management Team is responsible to oversee and execute the Group’s Risk Management and Internal Control systems with the following objectives: -

- Ensuring uninterrupted delivery of goods and services in the event of disruptions;
- Safeguarding the Group’s assets and reputation;
- Preserving the safety and health of employees;
- Ensuring that operations are not adversely affected by the environment;
- Ensuring compliance of regulatory requirements; and
- Promoting risk awareness and maintaining a risk-controlled culture.

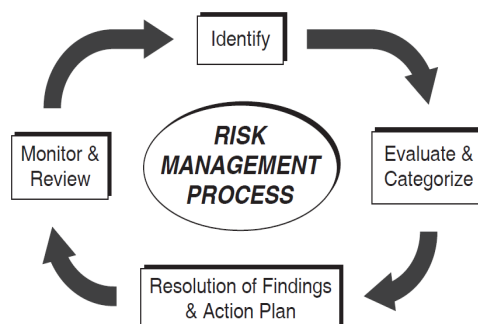
The team, which is led by the Group Managing Director and assisted by the Senior Management, identifies and evaluates potential risks during periodical Internal Unit Meetings. Significant matters and relevant mitigation plans are then reported by the Group Managing Director to the ARMC and the Board in Board meetings during the financial year. Thereafter, mitigations plans are executed by Senior Management and monitored by the team.

Risk Management Framework

Risk Management is firmly embedded in the Group’s management system as the Group believes that prudent Risk Management is vital for sustainability and enhancement of shareholders’ value. To ensure alignment of activities with the Group’s strategic objectives and compliance with regulatory requirements, the Group has implemented a Risk Management framework to identify, measure, assess and manage significant risks affecting the Group. This framework is reviewed periodically by the Board via ARMC to ensure its relevance and adequacy to managing risks, which continue to evolve along with changing business environment.

Risk Management Process

The Group’s Risk Management process are categorised into four steps as follows: -



(a) **Risk Identification**

All potential events that could adversely impact the achievement of business objectives, including failure to capitalise on opportunities are identified. Informal management discussions are held by the Executive Directors with the Senior Management Team to identify potential business-related risk throughout the financial year. Updates and feedbacks are generally reported by Divisional and Departmental Head.

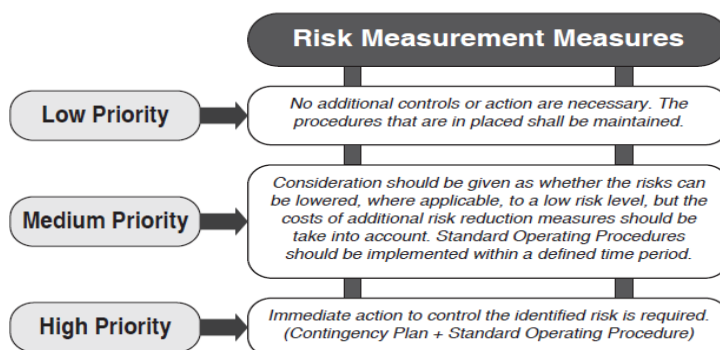
(b) **Risk Evaluation and Categorisation**

The identified risks are then evaluated to determine their impact on the relevant business strategies and objectives, and the likelihood of each risk. The Risk Matrix shown below is utilized to classify the impact and likelihood of each risk event ranging from “Low Priority to High Priority”. This will assist the Group in optimal allocation of resources and preparation of the most appropriate responses to manage and mitigate identified risks.

		IMPACT (EFFECT)		
		IRREVERSIBLE	TOLERABLE	NEGLIGIBLE
LIKELIHOOD	VERY LIKELY	HIGH PRIORITY	HIGH PRIORITY	MEDIUM PRIORITY
	LIKELY	HIGH PRIORITY	MEDIUM PRIORITY	LOW PRIORITY
	UNLIKELY	MEDIUM PRIORITY	LOW PRIORITY	LOW PRIORITY

(c) **Risk Mitigation**

Risk mitigation involves development of mitigation plans designed to manage, eliminate or reduce risk to an acceptable level. In this stage, risk owners with vast experience (usually Senior Managers of the Group) are responsible for identifying of action plans. Impact of risks can be categorized as Low, Medium or High Priority and appropriate responses are developed as outlined in the table below:-



(d) **Risk Monitoring & Review**

As part of the Risk Management process, frequent meetings are held between the Group Managing Director, Risk Management Team, Division Heads and Senior Managers. Identified risks and action plans are monitored, reviewed and revised on an on-going basis to ensure adequacy and effectiveness. The monitoring of risk is further enhanced by internal audits carried out in accordance with internal audit plan approved by the ARMC.

Internal Control System

The Group's Internal Control system encompasses controls relating to financial, operational, risk management as well as compliance with laws, regulations, policies and guidelines. The effectiveness and integrity of these Internal Controls is overseen and periodically reviewed by the Board, while operationally monitored by Management at various organization levels. Through well-planned delegation of responsibilities, the Risk Management Team proactively identifies, analyses, mitigates and monitors significant business risks, ensuring that the risks are within tolerance limit established by the Board. Regular reviews are performed to ensure the Risk Management and Internal Control are adequate and remain effective.

The key elements of the Group's Internal Control system and activities are described as below: -

- **Organisation Structure**

A formal organisation structure is in place to define the function, reporting line and responsibilities of Management staff. This organisation structure serves to facilitate quick response to changes in the evolving business environment, supervision of day-to-day business operations and accountability for operation performance.

- **Financial Review Control**

ARMC meets quarterly to review the quarterly financial reports and to ensure the financial reports are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 so as to give a true and fair view of the Group's financial position. These financial statements are presented to the Board for approval prior to being released to Bursa Malaysia Securities Berhad.

- **Policies, Procedures and Limit of Authority**

Standard operating procedures are established for operating units and departments within the units, illustrating detailed operating procedures and controls at all levels and in all functions. Activities such as approvals, authorizations, verifications, reconciliations, operating performance assessments, security of assets and segregation of duties are included. The manuals are reviewed and updated on an on-going basis to ensure compliance with internal controls, directive, laws and regulations.

- **Internal Audit**

Periodic review of the Group's Internal Control system is executed by the Internal Audit Division, in accordance with the annual plan approved by the ARMC. The Head of Internal Audit examines, evaluates and reports the effectiveness and efficiency of the Group's internal control system. Findings and corrective measures are communicated to Division Heads and Senior Managers of the respective departments. Subsequently, audit findings, recommendations and management responses are reviewed by the ARMC during ARMC Meetings and directed to the Board for rectification.

- **Compliance Audit**

Yearly audits are carried out by Fides Certification (M) Sdn Bhd ("FIDES") in relation to the Quality Management System (ISO9001:2015) and Environment Management System (ISO14001:2015). These audits ensure compliance with international standards and conditions improvement of product and service quality as well as environmental performance.

- **Human Resource Management Policy**

Employment and termination procedures are established and annual performance appraisals are performed to confirm employees' competency. Furthermore, training and development programs are provided to enhance employees' knowledge, skills and abilities for effective and efficient job performance.

- **ABC Policy**

The Group's ABC policy was established and enforced across the Group. The Group adopts zero-tolerance approach in combating all forms of bribes and corruptions. An employee or associated person, who encounters actual or suspected violations of the policy is encouraged to whistle-blow or report any concern through appropriate channel under Group's whistle-blowing policy, which is made available at www.pph.com.my.

- **Insurance and Safeguard of Assets**

Group assets are insured to ensure protection against mishaps and other perils which might result in material losses. Annual reviews are performed by the Management during policy renewals to maintain sufficient coverage.

ASSURANCE PROVIDED BY THE AUDITOR

This statement has been reviewed by the External Auditors pursuant to Paragraph 15.23 of the MMLR and the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by Malaysian Institute of Accountants for inclusion in the 2023 Annual Report. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention and they believe that this statement is consistent with their understanding of the process adopted by the Board in assessing the adequacy and integrity of the Group's Risk Management and Internal Control.

CONCLUSION

In the Board meeting held on 1 April 2024, based on the briefing by the Group Managing Director, the ARMC and the Board are satisfied that the Risk Management and Internal Control of the Group are adequate and operating effectively, in all material aspects, during the financial year under review.

This statement was approved by the Board on 1 April 2024.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are collectively responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and of the Company for the financial year then ended. The financial statements are prepared on a going concern basis, in accordance with the applicable approved accounting standards and comply with the provision of the Companies Act 2016. It is the duty of the Directors to review the appropriateness of the basis of accounting policies and supported by reasonable and prudent judgments and estimates before adopting the financial statements and presenting them during the AGM together with their Report and Auditors' Report thereon.

The Directors are responsible for ensuring that the Group and the Company keep accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company, which also enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have general responsibility for taking steps as are reasonably open to them to safeguard the shareholders' interest and the assets of the Group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 **31 December 2023**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of financial, administrative and advisory services to its subsidiaries.

The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the financial year	48,488	11,652

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 December 2023** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company has declared a single tier interim dividend of RM0.0025 per ordinary share amounting to RM664,629 in respect of the financial year ended 31 December 2022 on 22 February 2023 and paid on 20 March 2023.

On 26 February 2024, the Company has declared a single tier interim dividend of RM0.00375 per ordinary share amounting to RM999,145 in respect of the financial year ended 31 December 2023 and paid on 26 March 2024. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2024.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of 587,200 new ordinary shares pursuant to the Employee Share Grant Scheme ("ESGS").

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTION SCHEME (“ESOS”) AND EMPLOYEE SHARE GRANT SCHEME (“ESGS”)

The Company's ESOS and ESGS are governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 29 August 2017. The ESOS and ESGS will be in force for a maximum period of five years till 6 October 2022 and had been extended for a further five years which expiring on 6 October 2027.

The salient features of the ESOS and ESGS are disclosed in Note 32 to the financial statements.

The movement of the share options and share grants during the financial year is as follows:

Grant date	Exercise price RM	----- Number of ESOS -----			
		Balance at 1.1.2023	Granted	Exercised	Balance at 31.12.2023
21.7.2021	0.560	9,100	-	-	9,100
30.6.2022	0.465	32,409	-	-	32,409
19.10.2022	0.495	15,978	-	-	15,978

Grant date	----- Number of ESGS -----			
	Balance at 1.1.2023	Granted	Vested	Balance at 31.12.2023
16.6.2023	-	423,200	(423,200)	-
8.11.2023	-	164,000	(164,000)	-

Details of share grants granted to the directors are disclosed in the section of Directors' Interests In Shares in this report.

DIRECTORS

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Directors of the Company:

- * Koay Chiew Poh
- * Koay Chiew Kang
- * Koay Teng Liang
- * Koay Teng Kheong
- Nurjannah Binti Ali
- * Koay Chue Beng (alternate director to Koay Chiew Poh)
- Tang Boon Lee
- Soon Poh Lean (appointed on 3.4.2023)
- Dr. Sek Weng Yew (appointed on 3.4.2023)
- Ng Thim Fook (resigned on 4.4.2023)
- Ong Eng Choon (resigned on 4.4.2023)

Directors of the subsidiaries:

Koay Chiew Lee
Ooi Siew Hong
Loo Weng Keen
Gooi Chye Soon
Che Puan Binti Abdullah
Wong Lai Cheun
Tan Peck Sian
Tay Gee Lang

* The directors are also directors of the Company's certain subsidiaries.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares		
	Balance at 1.1.2023	Bought	Balance at 31.12.2023
The Company:			
Direct Interest:			
Koay Chiew Poh	10,445,251	-	10,445,251
Koay Chiew Kang	2,567,749	-	2,567,749
Koay Teng Liang	1,991,903	-	2,016,903
Koay Teng Kheong	1,879,910	-	1,904,910
Koay Chue Beng	938,860	-	938,860
Tang Boon Lee	11,519	-	11,519
Deemed Interest:			
¹ Koay Chiew Poh	118,668,249	-	118,890,249
² Koay Chiew Kang	9,836,390	-	9,844,390
³ Koay Chue Beng	9,443,999	-	9,443,999
⁴ Koay Teng Liang	17,548,763	-	17,559,763
⁴ Koay Teng Kheong	17,548,763	-	17,559,763

* Arising from the ESGS granted.

	Number of share grants		
	Balance at 1.1.2023	Granted	Balance at 31.12.2023
The Company:			
Direct Interest:			
Koay Teng Liang	-	25,000	(25,000)
Koay Teng Kheong	-	25,000	(25,000)
Deemed Interest:			
⁵ Koay Chiew Poh	-	222,000	(222,000)
⁶ Koay Chiew Kang	-	8,000	(8,000)
⁷ Koay Teng Liang	-	11,000	(11,000)
⁷ Koay Teng Kheong	-	11,000	(11,000)

¹ Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd., Koay Boon Pee Holding Sdn. Bhd., his spouse and son respectively.

² Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd., his spouse and daughter respectively.

³ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd.

⁴ Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Multiple Accomplishments Sdn. Bhd. and his spouse respectively.

⁵ Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through his spouse and son respectively.

⁶ Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through his daughter.

⁷ Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through his spouse.

By virtue of his shareholdings in the Company, **Mr. Koay Chiew Poh** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than the above, none of the other directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM'000	SUBSIDIARIES RM'000	GROUP RM'000
Directors' fees	136	244	380
Salaries, bonus and allowances	-	3,029	3,029
Defined contribution plan	-	518	518
Social security contribution and employment insurance scheme	-	10	10
Equity-settled share-based payments	-	31	31
Benefits-in-kind	-	95	95
	136	3,927	4,063

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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, other than the share grants awarded pursuant to the ESGS.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a 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, other than those related party transactions disclosed in the notes to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnity has been given to or insurance effected for any of the directors and officers of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to make any provision for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts 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 would render adherence to the existing methods 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 misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 December 2023 are as follows:

	GROUP RM'000	COMPANY RM'000
Statutory audit	209	28
Assurance related services and non-audit services	16	3
Total	225	31

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

.....
Koay Chiew Poh

Penang,

Date: 1 April 2024

.....
Koay Teng Liang

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 55 to 105 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 **31 December 2023** and of their financial performance and cash flows for the financial year then ended.

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

.....
Koay Chiew Poh

.....
Koay Teng Liang

Date: 1 April 2024

STATUTORY DECLARATION

I, **Ooi Siew Hong**, the officer primarily responsible for the financial management of **Public Packages Holdings Berhad** do solemnly and sincerely declare that the financial statements set out on pages 55 to 105 are to the best of my knowledge and belief, 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 at Penang, this **1st**)
day of **April 2024**.)

.....
Ooi Siew Hong

Before me,

.....
Goh Suan Bee
No.: P125
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUBLIC PACKAGES HOLDINGS BERHAD

Registration No. 198701003743 (162413-K)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Public Packages Holdings Berhad**, which comprise the statements of financial position as at **31 December 2023** of the Group and of the Company, and the statements of 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 material accounting policy information, as set out on pages 55 to 105.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2023** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("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 financial 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.

Independent Auditors' Report To The Members Of Public Packages Holdings Berhad (cont'd)

Registration No. 198701003743 (162413-K)

(Incorporated in Malaysia)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Revenue recognition (Note 20 to the financial statements) The Group's revenue is mainly derived from the manufacturing of paper packaging products. We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.	Our audit procedures in relation to the revenue recognition included, amongst others, the following: • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There is no key audit matters to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company 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 does 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.

Independent Auditors' Report To The Members Of Public Packages Holdings Berhad (cont'd)

Registration No. 198701003743 (162413-K)

(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company 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 Malaysian Financial Reporting Standards, IFRS Accounting 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 a going concern, 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 the financial statements.

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:

- 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.
- 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 of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 and 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.
- 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.
- 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.

Independent Auditors' Report To The Members Of Public Packages Holdings Berhad (cont'd)

Registration No. 198701003743 (162413-K)

(Incorporated in Malaysia)

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 identified during our audit.

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, actions taken to eliminate threats or safeguards applied.

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 financial 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, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

Other Matter

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 content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2026 J
Chartered Accountant

Penang

Date: 1 April 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		GROUP		COMPANY	
		2023	(Restated) 2022	2023	(Restated) 2022
	NOTE	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	141,651	145,091	1	1
Investment properties	5	25,878	25,263	-	-
Right-of-use assets	6	1,693	1,873	-	-
Investment in subsidiaries	7	-	-	135,349	132,349
Investment in joint ventures	8	34,931	30,098	15,100	15,100
Other investments	9	6,559	4,283	-	*
Deferred tax assets	10	7,377	-	-	-
		<u>218,089</u>	<u>206,608</u>	<u>150,450</u>	<u>147,450</u>
Current assets					
Inventories	11	12,811	15,469	-	-
Trade and other receivables	12	47,481	52,141	2	148
Contract assets	13	139	58	-	-
Current tax assets		3,520	2,846	38	28
Other investments	9	129,350	81,053	38,243	24,916
Cash and bank balances	14	27,152	37,501	6,271	11,215
		<u>220,453</u>	<u>189,068</u>	<u>44,554</u>	<u>36,307</u>
TOTAL ASSETS		<u>438,542</u>	<u>395,676</u>	<u>195,004</u>	<u>183,757</u>
EQUITY AND LIABILITIES					
Share capital	15	133,558	133,174	133,558	133,174
Reserves	16	7,785	7,165	10	10
Retained profits	17	248,861	200,947	61,283	50,296
Total equity		<u>390,204</u>	<u>341,286</u>	<u>194,851</u>	<u>183,480</u>
Non-current liabilities					
Borrowings	18	2,784	4,325	-	-
Lease liabilities	6	680	1,080	-	-
Deferred tax liabilities	10	12,401	11,130	-	-
		<u>15,865</u>	<u>16,535</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	19	19,622	21,423	36	42
Contract liabilities	13	5,473	5,082	-	-
Borrowings	18	6,258	9,371	117	235
Lease liabilities	6	1,073	899	-	-
Current tax liabilities		47	1,080	-	-
		<u>32,473</u>	<u>37,855</u>	<u>153</u>	<u>277</u>
Total liabilities		<u>48,338</u>	<u>54,390</u>	<u>153</u>	<u>277</u>
TOTAL EQUITY AND LIABILITIES		<u>438,542</u>	<u>395,676</u>	<u>195,004</u>	<u>183,757</u>

* Represents RM1

The accompanying notes form an integral part of the financial statements.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	NOTE	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	20	209,570	223,727	11,594	12,561
Cost of sales	21	(125,434)	(143,965)	-	-
Gross profit		84,136	79,762	11,594	12,561
Other income		5,241	5,218	385	868
Administrative expenses		(22,711)	(19,939)	(320)	(413)
Selling and distribution expenses		(18,491)	(18,683)	-	-
Reversal of allowance for expected credit losses		-	26	-	-
Operating profit		48,175	46,384	11,659	13,016
Finance costs		(902)	(1,039)	(7)	(12)
Finance income		307	77	-	-
Share of results of joint ventures		4,833	1,639	-	-
Profit before tax	22	52,413	47,061	11,652	13,004
Taxation	23	(3,925)	(8,573)	*	(1)
Profit for the financial year		48,488	38,488	11,652	13,003
Other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		498	533	-	-
Items that will not be reclassified subsequently to profit or loss:					
Net change in fair value of equity investments designated at fair value through other comprehensive income		213	(312)	-	-
Transfer of revaluation surplus to retained profits		91	174	-	-
Realisation of revaluation surplus upon depreciation		(91)	(174)	-	-
Deferred tax impact on revaluation reserve		-	413	-	-
Total other comprehensive income for the financial year		711	634	-	-
Total comprehensive income for the financial year, attributable to owners of the Company		49,199	39,122	11,652	13,003
Earnings per share attributable to owners of the Company (sen)					
- Basic	24	18.22	14.53		
- Diluted	24	18.22	14.52		

* Represents RM1

The accompanying notes form an integral part of the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

NOTE	Attributable to Owners of the Company						
	Non-distributable				Distributable		
	Share Capital RM'000	Revaluation Reserve RM'000	ESOS and ESGS Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
2023							
Balance at beginning, restated	133,174	5,168	10	30	1,957	200,947	341,286
Total comprehensive income for the financial year	-	(91)	-	213	498	48,579	49,199
<i>Transactions with owners of the Company</i>							
Issuance of shares pursuant to ESGS	15	384	-	(384)	-	-	-
Grant of ESGS to employees		-	-	384	-	-	384
Dividend	25	-	-	-	-	(665)	(665)
Total transactions with owners of the Company		384	-	-	-	(665)	(281)
Balance at end		133,558	5,077	10	243	248,861	390,204
2022							
Balance at beginning							
- As previously stated		94,787	4,929	2	342	199,895	301,379
- Effect of reclassification	33	(173)	-	-	-	173	-
Balance at beginning, restated		94,614	4,929	2	342	200,068	301,379
Total comprehensive income for the financial year		-	239	-	(312)	38,662	39,122
<i>Transactions with owners of the Company</i>							
Issuance of shares pursuant to:							
- Bonus shares	15	37,783	-	-	-	(37,783)	-
- ESGS	15	571	-	(571)	-	-	-
- Exercise of ESOS	15	153	-	-	-	-	153
Grant of ESOS to employees		-	-	61	-	-	61
Grant of ESGS to employees		-	-	571	-	-	571
Transfer of ESOS reserve upon exercised	15	53	-	(53)	-	-	-
Total transactions with owners of the Company		38,560	-	8	-	(37,783)	785
Balance at end, restated		133,174	5,168	10	30	200,947	341,286

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	NOTE	Share Capital RM'000	Non-distributable ESOS and ESGS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
2023					
Balance at beginning, restated		133,174	10	50,296	183,480
Total comprehensive income for the financial year		-	-	11,652	11,652
<i>Transactions with owners of the Company</i>					
Issuance of shares pursuant to ESGS	15	384	(384)	-	-
Grant of ESGS to employees		-	384	-	384
Dividend	25	-	-	(665)	(665)
Total transactions with owners of the Company		384	-	(665)	(281)
Balance at end		133,558	10	61,283	194,851
2022					
Balance at beginning					
- As previously stated		94,787	2	74,903	169,692
- Effect of reclassification	33	(173)	-	173	-
Balance at beginning, restated		94,614	2	75,076	169,692
Total comprehensive income for the financial year		-	-	13,003	13,003
<i>Transactions with owners of the Company</i>					
Issuance of shares pursuant to:					
- Bonus shares		37,783	-	(37,783)	-
- ESGS	15	571	(571)	-	-
- Exercise of ESGS	15	153	-	-	153
Grant of ESOS to employees		-	61	-	61
Grant of ESGS to employees		-	571	-	571
Transfer of ESOS reserve upon exercised	15	53	(53)	-	-
Total transactions with owners of the Company		38,560	8	(37,783)	785
Balance at end, restated		133,174	10	50,296	183,480

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	52,413	47,061	11,652	13,004
Adjustments for:				
Accretion of interest on amount due from a subsidiary	-	-	-	(427)
Accretion of interest on lease liabilities	95	68	-	-
Bad debts written off	67	2	-	-
Depreciation of property, plant and equipment	8,871	8,428	-	-
Depreciation of right-of-use assets	1,162	1,048	-	-
Distribution income	(1,988)	(722)	(794)	(61)
Dividend income	(285)	(128)	(10,800)	(12,500)
Equity-settled shared-based payments	384	632	-	61
Fair value loss/(gain) on investment properties	90	(1,220)	-	-
Fair value gain on short term funds	(1,630)	(1,051)	(384)	(440)
Fair value gain on quoted equity investments	(137)	-	-	-
Gain on disposal of property, plant and equipment	(24)	(25)	-	-
Interest expense	807	971	7	12
Interest income	(307)	(77)	-	-
Loss on derecognition of a right-of-use asset	-	136	-	-
Property, plant and equipment written off	201	114	-	-
Reversal of allowance for expected credit losses	-	(26)	-	-
Share of results of joint ventures	(4,833)	(1,639)	-	-
Unrealised gain on foreign exchange	(647)	(325)	-	-
Operating profit/(loss) before working capital changes	54,239	53,247	(319)	(351)
Changes in:				
Inventories	2,658	1,550	-	-
Receivables	4,693	(4,281)	6	(6)
Contract assets	(81)	(58)	-	-
Payables	(1,857)	(1,381)	(6)	11
Contract liabilities	329	265	-	-
Cash generated from/(used in) operations	59,981	49,342	(319)	(346)
Interest paid	(807)	(971)	(7)	(12)
Interest received	307	74	-	-
Income tax paid	(12,102)	(9,896)	(10)	(10)
Income tax refunded	363	67	-	-
Net cash from/(used in) operating activities	47,742	38,616	(336)	(368)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	285	128	10,800	11,000
Dividend received from a joint venture	-	1,500	-	1,500
Additions in investment in a subsidiary	-	-	(3,000)	-
Additions in unit trusts	(27,650)	(11,992)	(17,650)	(9,500)
Additions in quoted equity investments	(3,664)	(2,842)	-	-
Proceeds from disposal of property, plant and equipment	73	31	-	-
Purchase of property, plant and equipment	(5,679)	(10,664)	-	-
Purchase of investment property	-	(2,300)	-	-
Subsequent expenditures on investment property	(705)	-	-	-
Net changes in short term funds with a licensed financial institution	1,647	1,051	387	440
Net changes in fixed deposit with a licensed bank	77	-	-	-
Net change in subsidiaries' balances	-	-	524	(930)
Net cash (used in)/from investing activities	(35,616)	(25,088)	(8,939)	2,510
Balance carried forward	12,126	13,528	(9,275)	2,142

The accompanying notes form an integral part of the financial statements.

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	NOTE	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Balance brought forward		12,126	13,528	(9,275)	2,142
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(665)	-	(665)	-
Proceeds from issuance of ordinary shares		-	153	-	153
Repayment of bill payables	A	(1,590)	(2,856)	-	-
Repayment of finance lease liabilities	A	(350)	(1,190)	-	-
Net changes of Murabahah financing	A	(2,539)	(957)	-	-
Repayment of term loans	A	(1,367)	(2,358)	-	-
Repayment of lease liabilities	A	(1,303)	(1,146)	-	-
Net cash (used in)/from financing activities		(7,814)	(8,354)	(665)	153
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,312	5,174	(9,940)	2,295
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		871	724	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		79,440	73,542	26,335	24,040
CASH AND CASH EQUIVALENTS AT END		84,623	79,440	16,395	26,335
The cash and cash equivalents are represented by:					
Fixed deposits with a licensed bank		238	231	-	-
Cash in hand and at banks		26,914	37,270	6,271	11,215
Short term funds with a licensed financial institution		59,836	43,189	10,241	15,355
Less: Fixed deposits pledged with a licensed bank		(154)	(231)	-	-
Bank overdrafts		(2,211)	(1,019)	(117)	(235)
		84,623	79,440	16,395	26,335

The accompanying notes form an integral part of the financial statements.

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

A. Reconciliation of liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM'000	Net cash flows RM'000	Others RM'000	Balance at end RM'000
GROUP				
2023				
Borrowings excluding bank overdrafts	12,677	(5,846)	-	6,831
Lease liabilities	1,979	(1,303)	1,077	1,753
Total liabilities arising from financing activities	14,656	(7,149)	1,077 ¹	8,584
2022				
Borrowings excluding bank overdrafts	20,038	(7,361)	-	12,677
Lease liabilities	1,089	(1,146)	2,036	1,979
Total liabilities arising from financing activities	21,127	(8,507)	2,036 ¹	14,656

¹ Others consist of non-cash movement as follows:

	GROUP	
	2023 RM'000	2022 RM'000
Accretion of interest on lease liabilities	95	68
Additions of lease liabilities	1,090	2,189
Derecognition of lease liabilities	(119)	(228)
Foreign currency translation	11	7
	1,077	2,036

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Wisma Public Packages, Plot 67, Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 1 April 2024.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of financial, administrative and advisory services to its subsidiaries.

The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for investment properties and other investments that are measured at fair values.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company and the amounts in the financial statements are rounded-up to the nearest RM'000, except where otherwise stated.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

2.4 Adoption of New Standard/Amendments to MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following new standard/amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Initial application of the above new standard/amendments to MFRSs did not have any material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and the Company:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above amendments to MFRSs is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for certain lease of premises as it is reasonably certain that the extension options will be exercised while for certain premises and motor vehicles, the extension options are not available. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of depreciable assets

Plant and machinery are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful life of the plant and machinery to be within 5 to 35 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and machinery. A reduction in the estimated useful life of the plant and machinery would increase the depreciation charge and decrease the property, plant and equipment.

(ii) Fair value of investment properties

The Group measures its investment properties at fair value amount with changes in fair value being recognised in profit or loss. The Group engaged independent external valuers to determine fair value as at the end of the reporting period.

The carrying amount of the investment properties as at the end of reporting period and the relevant fair value are disclosed in Note 5 to the financial statements.

(iii) Inventories

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 11 to the financial statements.

(iv) Provision for expected credit losses ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 29.3.1 to the financial statements.

(v) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

(vi) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed investment tax allowance, unused tax losses and other deductible temporary differences to the extent that it is probable that future taxable profit will be available against which those unabsorbed investment tax allowance, unused tax losses and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 10 to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Apartments RM'000	Plant and machinery RM'000	Hotel equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Electrical installation RM'000	Renovation RM'000	Solar System RM'000	Capital work-in-progress RM'000	Total RM'000
2023													
At cost													
Balance at beginning	16,533	17,569	82,886	565	113,034	13,587	4,508	11,634	892	3,777	-	2,482	267,467
Additions	-	-	-	-	616	252	424	313	-	7	1,048	3,019	5,679
Disposals	-	-	-	-	-	-	(209)	-	-	-	-	-	(209)
Written offs	-	-	-	-	(7,891)	-	(6)	(4,502)	(214)	-	-	-	(12,613)
Reclassification	-	-	-	-	188	-	-	-	-	-	2,482	(2,670)	-
Foreign currency translation	-	-	-	-	-	-	-	11	-	3	-	-	14
Balance at end	16,533	17,569	82,886	565	105,947	13,839	4,717	7,456	678	3,787	3,530	2,831	260,338
Accumulated depreciation													
Balance at beginning	-	5,342	15,562	320	76,927	5,514	3,555	11,011	830	2,696	-	-	121,757
Current charge	-	340	2,263	7	3,741	1,607	249	256	16	187	205	-	8,871
Disposals	-	-	-	-	-	-	(160)	-	-	-	-	-	(160)
Written offs	-	-	-	-	(7,651)	-	(6)	(4,499)	(214)	-	-	-	(12,370)
Foreign currency translation	-	-	-	-	-	-	-	10	-	2	-	-	12
Balance at end	-	5,682	17,825	327	73,017	7,121	3,638	6,778	632	2,885	205	-	118,110
Accumulated impairment losses													
Balance at beginning	-	-	-	-	619	-	-	-	-	-	-	-	619
Written offs	-	-	-	-	(42)	-	-	-	-	-	-	-	(42)
Balance at end	-	-	-	-	577	-	-	-	-	-	-	-	577
Carrying amount	16,533	11,887	65,061	238	32,353	6,718	1,079	678	46	902	3,325	2,831	141,651

2022

At cost

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Apartments RM'000	Plant and machinery RM'000	Hotel equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Electrical installation RM'000	Renovation RM'000	Solar System RM'000	Capital work-in-progress RM'000	Total RM'000
Balance at beginning	16,533	17,569	82,757	565	109,600	13,555	4,821	11,162	889	3,512	-	705	261,668
Additions	-	-	129	-	7,377	50	-	444	3	263	-	2,398	10,664
Disposals	-	-	-	-	-	(18)	(313)	-	-	-	-	-	(331)
Written offs	-	-	-	-	(4,079)	-	-	(2)	-	-	-	(33)	(4,114)
Transferred to investment properties (Note 5)	-	-	-	-	-	-	-	-	-	-	-	(433)	(433)
Reclassification	-	-	-	-	136	-	-	19	-	-	-	(155)	-
Foreign currency translation	-	-	-	-	-	-	-	11	-	2	-	-	13
Balance at end	16,533	17,569	82,886	565	113,034	13,587	4,508	11,634	892	3,777	-	2,482	267,467
Accumulated depreciation													
Balance at beginning	-	5,260	13,038	313	77,334	3,937	3,635	10,800	801	2,525	-	-	117,643
Current charge	-	82	2,524	7	3,591	1,589	233	204	29	169	-	-	8,428
Disposals	-	-	-	-	-	(12)	(313)	-	-	-	-	-	(325)
Written offs	-	-	-	-	(3,998)	-	-	(2)	-	-	-	-	(4,000)
Foreign currency translation	-	-	-	-	-	-	-	9	-	2	-	-	11
Balance at end	-	5,342	15,562	320	76,927	5,514	3,555	11,011	830	2,696	-	-	121,757
Accumulated impairment losses													
Balance at beginning/end	-	-	-	-	619	-	-	-	-	-	-	-	619
Carrying amount	16,533	12,227	67,324	245	35,488	8,073	953	623	62	1,081	-	2,482	145,091

COMPANY

	Furniture, fittings and office equipments	
	2023	2022
	RM'000	RM'000
At cost	171	171
Accumulated depreciation	170	170
Carrying amount	1	1

- (i) The information of right-of-use assets of the Group which are included in the property, plant and equipment is as follows:

	Carrying amount	Current depreciation
	RM'000	RM'000
GROUP		
2023		
Leasehold land	11,887	340
2022		
Leasehold land	12,227	82

- (ii) The carrying amount of leased assets of the Group which are pledged as securities for the finance lease liabilities as disclosed in Note 18 to the financial statements are as follows:

	GROUP	
	2023	2022
	RM'000	RM'000
Plant and machinery	-	683
Motor vehicles	387	687
	387	1,370

- (iii) The carrying amount of property, plant and equipment of the Group which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements are as follows:

	GROUP	
	2023	2022
	RM'000	RM'000
Freehold land	9,955	9,955
Building	48,754	50,420
	58,709	60,375

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Leasehold land	Amortise over lease period of 45 - 52 years
Buildings	1.67% - 10%
Apartments	Amortise over lease period of 85 years
Plant and machinery	2.86% - 20%
Hotel equipment	10% - 20%
Motor vehicles	10% - 14%
Furniture, fittings and office equipment	10% - 33.33%
Electrical installations	10%
Renovation	10% - 33.33%
Solar system	10%

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. INVESTMENT PROPERTIES

	GROUP	
	2023 RM'000	2022 RM'000
Balance at beginning	25,263	21,310
Addition	705	2,300
Transfer from property, plant and equipment (Note 4)	-	433
Fair value (loss)/gain recognised in profit or loss	(90)	1,220
Balance at end	25,878	25,263

The investment properties consist of the following:

	GROUP	
	2023 RM'000	2022 RM'000
At fair value		
Freehold land and buildings	18,840	18,790
Commercial property	2,300	2,300
Apartments	3,600	3,740
At cost		
Building under construction	1,138	433
	25,878	25,263

- (i) On 23 March 2022, a subsidiary of the Company, Public Packages Properties Sdn. Bhd., had entered into a Sale and Purchase Agreement with Unihakka Trading Sdn. Bhd. to purchase a leasehold commercial property for a total cash consideration of RM2,188,000.
- (ii) The carrying amount of investment properties of the Group which are pledged to licensed banks as securities for banking facilities granted to a subsidiary as disclosed in Note 18 to the financial statements is **RM17,940,000** (2022: RM17,700,000).
- (iii) The investment property under construction is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably determinable.

(iv) **Group as lessor**

The Group has entered into operating leases on its investment properties. These leases have terms of between one to three years.

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2023	2022
	RM'000	RM'000
Rental income from income generating properties	392	349
Direct operating expenses		
- Rental income generating	47	144
- Non-rental income generating	149	15

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2023	2022
	RM'000	RM'000
Within one year	337	302
More than one year and less than five years	72	354
	409	656

Material accounting policy information

Investment properties are initially measured at cost and subsequently measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for motor vehicles and premises used in its operations that have lease term of two to three years, with an option to extend the lease for three years. At the commencement of the lease, the Group has assessed that it is reasonably certain to exercise the extension option.

The Group also has certain leases of premise, machinery and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Such lease payments are charged to profit or loss on the straight-line basis over the lease term.

Right-of-use assets

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

	Motor vehicles	Premises	Total
	RM'000	RM'000	RM'000
2023			
Balance at beginning	1,452	421	1,873
Additions	411	679	1,090
Balance carried forward	1,863	1,100	2,963

	Motor vehicles RM'000	Premises RM'000	Total RM'000
2023			
Balance brought forward	1,863	1,100	2,963
Depreciation	(679)	(483)	(1,162)
Derecognition	(119)	-	(119)
Foreign currency translation	-	11	11
Balance at end	1,065	628	1,693
2022			
Balance at beginning	672	417	1,089
Additions	1,625	564	2,189
Depreciation	(617)	(431)	(1,048)
Derecognition	(228)	(136)	(364)
Foreign currency translation	-	7	7
Balance at end	1,452	421	1,873

Lease liabilities

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year:

	Motor vehicles RM'000	Premises RM'000	Total RM'000
2023			
Balance at beginning	1,453	526	1,979
Additions	411	679	1,090
Accretion of interest	43	52	95
Payments	(723)	(580)	(1,303)
Derecognition	(119)	-	(119)
Foreign currency translation	-	11	11
Balance at end	1,065	688	1,753
2022			
Balance at beginning	672	417	1,089
Additions	1,625	564	2,189
Accretion of interest	35	33	68
Payments	(651)	(495)	(1,146)
Derecognition	(228)	-	(228)
Foreign currency translation	-	7	7
Balance at end	1,453	526	1,979
	2023 RM'000	2022 RM'000	
Represented by:			
Non-current	680	1,080	
Current	1,073	899	
	1,753	1,979	

The maturity analysis of lease liabilities is disclosed in Note 29.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	1,162	1,048
Loss on derecognition of a right-of-use asset	-	136
Accretion of interest on lease liabilities	95	68
Expenses relating to lease of low value assets	52	34
Expenses relating to short term leases	716	735
Total amount recognised in profit or loss	2,025	2,021
Total cash outflow for leases	2,071	1,915

Material accounting policy information

Right-of-use assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Motor vehicles	3 years
Premises	2 to 5 years

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	135,349	132,349

The details of the subsidiaries, all of which were incorporated and principal place of business in Malaysia except where indicated, are as follows:

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
Public Packages Sdn. Bhd. ("PPSB")	100	100	Manufacturing and retailing of corrugated cartons and packing materials.
PPH Printing & Packaging (Penang) Sdn. Bhd.	100	100	Manufacturing of offset printed display boxes.
PPH Printing & Packaging (Kulim) Sdn. Bhd.	100	100	Manufacturing of gift and display boxes.
Public Packages Properties Sdn. Bhd. ("PPP")	100	100	Property investment.
PPASIA Media Packaging Sdn. Bhd.	100	100	Design and sale of paper products.
PPH Plaza Sdn. Bhd.	100	100	Hotel owner and operating of hotel and managing of properties.
PPH Resources Sdn. Bhd. ("PPHR")	100	100	Investment holding.
Merits Capital Sdn. Bhd. ("MCSB")	100	100	Investment holding.

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
Indirect - held through PPSB			
Public Packages (NT) Sdn. Bhd.	100	100	Manufacturing and retailing of corrugated cartons and packing materials.
Public Packages (Prai) Sdn. Bhd.	100	100	Manufacturing and retailing of corrugated cartons and packing materials.
Indirect - held through PPHR			
Public Packages (Shah Alam) Sdn. Bhd.	100	100	Manufacturing and sale of corrugated cartons and packing materials.
PPH Display Design Sdn. Bhd.	100	100	Manufacturing of paper products and packaging materials.
Public Packages Asia Sdn. Bhd.	100	100	Manufacturing of paper products and packaging materials.
* Public Packages Asia (S) Pte. Ltd. (Incorporated and principal place of business in Singapore)	100	100	Total packaging solution provider.
* Not audited by Grant Thornton Malaysia PLT.			

Subscription of ordinary shares in a subsidiary

2023

On 19 April 2023, the Company has subscribed for additional 2,999,998 ordinary shares in MCSB at RM2,999,998 for cash. No changes in the equity interest subsequent to the subscription of ordinary shares.

2022

On 10 June 2022, the Company has subscribed for additional 5,465,000 ordinary shares in PPP by way of converting amount due from PPP of RM5,465,000. No changes in the equity interest subsequent to the subscription of ordinary shares.

Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

8. INVESTMENT IN JOINT VENTURES

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	19,112	19,112	15,100	15,100
Share of post-acquisition results	15,819	12,486	-	-
Less: Dividend received	-	(1,500)	-	-
	34,931	30,098	15,100	15,100

The details of the joint ventures, all of which were incorporated and principal place of business in Malaysia, except where indicated, are as follows:

Name of Entities	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
^ PPH Teckwah Value Chain Sdn. Bhd. ("PTVC")	50	50	Investment holding and the provision of management services.
New Merit Development Sdn. Bhd. ("NMD")	50	50	Investment holding.
Indirect - held through PPHR			
^ Kyaw Tha PPH Co., Ltd. (Incorporated and principal place of business in Myanmar) ("KTPPH")	-	25	Manufacturing, sale and export of paper products and packaging.
^ Not audited by Grant Thornton Malaysia PLT.			

Members' voluntary winding up

On 11 January 2023, KTPPH has been dissolved by way of members' voluntary winding up pursuant to Section 357(c) of the Myanmar Companies Law 2017. The investment in KTPPH was fully impaired in the prior financial years.

The following table summarises the financial information of PTVC and NMD, adjusted for entries to facilitate the equity method by the Group, any differences in accounting policies and reconciled the information to the carrying amount of the Group's interest in the joint ventures, which are accounted for using the equity method.

GROUP

	PTVC RM'000	NMD RM'000	Total RM'000
As at 31 December 2023			
Non-current assets	9,553	54,000	63,553
Current assets excluding cash and bank balances	13,932	27	13,959
Cash and bank balances	10,222	1,331	11,553
Non-current liabilities	(887)	(13,051)	(13,938)
Current liabilities	(4,340)	(925)	(5,265)
Net assets	28,480	41,382	69,862
Reconciliation of net assets to carrying amount			
Group's share of net assets, representing carrying amounts in the statements of financial position	14,240	20,961	34,931
Year ended 31 December 2023			
Results			
Revenue	41,788	2,160	43,948
Cost of sales excluding depreciation	(21,595)	-	(21,595)
Depreciation	(1,751)	-	(1,751)
Other income excluding interest income	796	7,785	8,581
Interest income	40	4	44
Interest expense	(49)	(572)	(621)
Other expenses	(17,459)	(205)	(17,664)
Profit before tax	1,770	9,172	10,942
Taxation	(160)	(1,115)	(1,275)
Profit for the financial year, representing total comprehensive income for the financial year	1,610	8,057	9,667
Group's share of total comprehensive income	805	4,028	4,833

	PTVC RM'000	NMD RM'000	Total RM'000
Contingent liabilities			
Corporate guarantee extended by PTVC to licensed banks for banking facilities granted to a subsidiary of PTVC	5,100	-	5,100
As at 31 December 2022			
Non-current assets	10,257	45,000	55,257
Current assets excluding cash and bank balances	15,956	54	16,010
Cash and bank balances	7,814	2,210	10,024
Non-current liabilities	(1,324)	(13,149)	(14,473)
Current liabilities	(5,831)	(792)	(6,623)
Net assets	26,872	33,323	60,195
Reconciliation of net assets to carrying amount			
Group's share of net assets, representing carrying amounts in the statements of financial position	13,436	16,662	30,098
Year ended 31 December 2022			
Results			
Revenue	49,851	2,164	52,015
Cost of sales excluding depreciation	(27,874)	-	(27,874)
Depreciation	(1,692)	-	(1,692)
Other income excluding interest income	1,234	-	1,234
Interest income	23	-	23
Interest expense	(51)	(477)	(528)
Other expenses	(18,380)	(291)	(18,671)
Profit before tax	3,111	1,396	4,507
Taxation	(871)	(358)	(1,229)
Profit for the financial year, representing total comprehensive income for the financial year	2,240	1,038	3,278
Group's share of total comprehensive income	1,120	519	1,639
Contingent liabilities			
Corporate guarantee extended by PTVC to licensed banks for banking facilities granted to a subsidiary of PTVC	5,100	-	5,100

Material accounting policy information

Investment in joint ventures are measured at cost less impairment losses.

9. OTHER INVESTMENTS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")				
Quoted equity investments				
- In Malaysia	228	202	-	*
- In Singapore	6,331	4,081	-	-
	6,559	4,283	-	*

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Financial assets at fair value through profit or loss ("FVTPL")				
Quoted equity investments in Malaysia	2,029	-	-	-
Short term funds with a licensed financial institution	59,836	43,189	10,241	15,355
Unit trusts	67,485	37,864	28,002	9,561
	129,350	81,053	38,243	24,916
Total other investments	135,909	85,336	38,243	24,916

* Represents RM1

Short term funds with a licensed financial institution of the Group and of the Company are primarily invested in money market. The funds can be redeemed at any point in time upon requested.

Material accounting policy information

Upon initial recognition, the Group irrevocably elect to classify its equity investments as equity instruments designated at FVOCI and subsequent changes in the fair value are recorded in other comprehensive income. This election is made on an investment-by-investment basis.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2023 RM'000	2022 RM'000
Balance at beginning	(11,130)	(10,709)
Recognised in profit or loss	5,850	(956)
Recognised in other comprehensive income	-	413
Foreign currency translation	(1)	(1)
	(5,281)	(11,253)
Over provision in prior year	257	123
Balance at end	(5,024)	(11,130)

The recognised deferred tax assets/(liabilities), after appropriate offsetting, are as follows:

	GROUP	
	2023 RM'000	2022 RM'000
Deferred tax assets	7,377	-
Deferred tax liabilities	(12,401)	(11,130)
	(5,024)	(11,130)

The deferred tax liabilities as at the end of the reporting period are represented by temporary differences arising from:

	GROUP	
	2023 RM'000	2022 RM'000
Property, plant and equipment	(10,183)	(10,368)
Investment properties	(294)	(268)
Revaluation reserve	(3,406)	(3,580)
Unabsorbed capital allowances	159	2,049
Balance carried forward	(13,724)	(12,167)

	GROUP	
	2023	2022
	RM'000	RM'000
Balance brought forward	(13,724)	(12,167)
Unabsorbed reinvestment allowance	842	849
Unabsorbed investment tax allowance	8,280	-
Unused tax losses	124	198
Other deductible temporary differences	(546)	(10)
	(5,024)	(11,130)

Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

11. INVENTORIES

	GROUP	
	2023	2022
	RM'000	RM'000
At cost		
Raw materials	6,611	7,707
Work-in-progress	779	1,164
Finished goods	4,291	5,552
Consumables	1,130	1,046
	12,811	15,469
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	114,253	134,756

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	45,374	50,419	-	-
Less: Allowance for ECL				
Balance at beginning	(3)	(109)	-	-
Reversal	-	26	-	-
Written off	-	80	-	-
Balance at end	(3)	(3)	-	-
	45,371	50,416	-	-

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables				
Sundry receivables	1,251	1,244	700	706
Less: Allowance for ECL	(782)	(782)	(700)	(700)
	469	462	-	6
Amount due from subsidiaries	-	-	-	140
Refundable deposits	531	411	2	2
Prepayments	1,110	852	-	-
	2,110	1,725	2	148
Total trade and other receivables	47,481	52,141	2	148

The normal trade credit terms granted by the Group range from **30 to 180 days** (2022: 30 to 180 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from subsidiaries were unsecured, non-interest bearing and classified based on expected timing of realisation.

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	39,309	41,034	2	148
United States Dollar	6,456	9,328	-	-
Singapore Dollar	1,540	1,779	-	-
Philippine Peso	176	-	-	-
	47,481	52,141	2	148

13. CONTRACT ASSETS/(LIABILITIES)

		GROUP	
	Note	2023	2022
		RM'000	RM'000
Contract assets			
- Accrued income	13.1	139	58
Contract liabilities			
- Customer deposits	13.2	(5,473)	(5,082)
		(5,334)	(5,024)

13.1 Contract assets from accrued income

Contract assets represent the right to consideration for services transferred to the customer.

	GROUP	
	2023	2022
	RM'000	RM'000
Balance at beginning	58	-
Revenue recognised during the financial year	8,509	(58)
Billings issued during the financial year	(8,428)	-
Balance at end	139	(58)

13.2 Contract liabilities from customer deposits

Contract liabilities represent deposits received from customers in advance for sales orders before commencing production activity. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation.

	GROUP	
	2023	2022
	RM'000	RM'000
Balance at beginning	(5,082)	(4,749)
Revenue recognised during the financial year	5,492	5,933
Deposits received during the financial year	(5,822)	(6,198)
Foreign currency translation	(61)	(68)
Balance at end	(5,473)	(5,082)

All deposits received are expected to be recognised as revenue within one year from the date of receipt.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) to be fulfilled within one year as at the end of the reporting period is **RM5,472,848** (2022: RM5,081,706).

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unencumbered:				
Fixed deposits with a licensed bank	84	-	-	-
Cash in hand and at banks	26,914	37,270	6,271	11,215
	26,998	37,270	6,271	11,215
Encumbered:				
Fixed deposits with a licensed bank	154	231	-	-
	27,152	37,501	6,271	11,215

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	16,809	24,205	6,271	11,215
United States Dollar	7,736	10,102	-	-
Singapore Dollar	2,591	3,183	-	-
Australian Dollar	16	11	-	-
	27,152	37,501	6,271	11,215

The encumbered fixed deposits of the Group are pledged to a licensed bank as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements.

The effective interest rates per annum and maturities of the fixed deposits with a licensed bank of the Group as at the end of the reporting period are **2.50%** (2022: 1.80%) per annum and **12 months** (2022: 12 months) respectively.

15. **SHARE CAPITAL**

	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	(Restated) 2022 RM'000
Issued and fully paid with no par value:				
Balance at beginning	265,852	188,916	133,174	94,614
Issuance of shares pursuant to:				
- Bonus shares	-	75,566	-	37,783
- ESGS	587	1,041	384	571
- Exercise of ESOS	-	329	-	153
Transfer of ESOS reserve upon exercised	-	-	-	53
Balance at end	266,439	265,852	133,558	133,174

2023

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by way of:

- (i) issuance of 423,200 new ordinary shares pursuant to ESGS. The related fair value of the ESGS amounting to RM264,500 was transferred from the ESGS reserve to share capital upon vesting of ESGS; and
- (ii) issuance of 164,000 new ordinary shares pursuant to ESGS. The related fair value of the ESGS amounting to RM119,720 was transferred from the ESGS reserve to share capital upon vesting of ESGS.

2022

In previous financial year, the Company had increased its issued and fully paid up ordinary share capital by way of:

- (i) bonus issuance of 75,565,703 new ordinary shares ("Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing shares held;
- (ii) issuance of 601,422 new ordinary shares pursuant to ESGS. The related fair value of the ESGS amounting to RM306,725 was transferred from the ESGS reserve to share capital upon vesting of ESGS;
- (iii) issuance of 439,780 new ordinary shares pursuant to ESGS. The related fair value of the ESGS amounting to RM263,868 was transferred from the ESGS reserve to share capital upon vesting of ESGS;
- (iv) issuance of 313,383 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.465 per ESOS for a total cash consideration of RM145,723. Upon the exercise of the ESOS, the related fair value of the ESOS amounting to RM49,389 was transferred from the ESOS reserve to share capital; and
- (v) issuance of 15,302 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.495 per ESOS for a total cash consideration of RM7,575. Upon the exercise of the ESOS, the related fair value of the ESOS amounting to RM3,230 was transferred from the ESOS reserve to share capital.

16. **RESERVE**

	NOTE	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable:					
Revaluation reserve	16.1	5,077	5,168	-	-
ESOS and ESGS reserve	16.2	10	10	10	10
Fair value adjustment reserve	16.3	243	30	-	-
Foreign translation reserve	16.4	2,455	1,957	-	-
		7,785	7,165	10	10

16.1 Revaluation reserve

Included in the revaluation reserve of the Group are an amount of:

- (i) **RM482,241** (2022: RM482,241) in respect of the surplus on revaluation of property, net of deferred tax, in prior years; and
- (ii) **RM4,594,833** (2022: RM4,685,347) in respect of increase in the fair value of property, plant and equipment, net of tax, as a result of change in use of the Group's owner-occupied properties to investment properties that was carried at fair value at the date of change in use.

16.2 ESOS and ESGS reserve

ESOS and ESGS reserve represent the equity-settled share options and share grants respectively awarded to the employees of certain subsidiaries and the Company's executive directors. This reserve is made up of the cumulative value of services received from the employees recorded on the grant date of share options and share grants, and is reduced by the exercise or lapse of share options and share grants.

16.3 Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity instruments, recognised through other comprehensive income until they are disposed or impaired.

16.4 Foreign translation reserve

This is in respect of foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

17. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

18. BORROWINGS

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Secured:				
<u>Finance lease liabilities</u>				
Minimum payments:				
Within one year	32	335	-	-
More than one year and less than two years	-	63	-	-
	32	398	-	-
Future finance charges	(1)	(17)	-	-
	31	381	-	-
Amount due within one year included under current liabilities	(31)	(324)	-	-
	-	57		
<u>Term loans</u>				
Total amount repayable	4,370	5,737	-	-
Amount due within one year included under current liabilities	(1,586)	(1,469)	-	-
	2,784	4,268	-	-
Balance carried forward	2,784	4,325	-	-

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	2,784	4,325	-	-
Current liabilities				
Secured:				
Bank overdrafts	2,211	1,019	117	235
Bill payables	2,430	4,020	-	-
Finance lease liabilities	31	324	-	-
Murabahah financing	-	2,539	-	-
Term loans	1,586	1,469	-	-
	6,258	9,371	117	235
Total borrowings	9,042	13,696	117	235

The borrowings are secured by way of:

- (i) legal charge over the freehold land and building of certain subsidiaries as disclosed in Note 4 to the financial statements;
- (ii) legal charge over the investment properties of a subsidiary as disclosed in Note 5 to the financial statements;
- (iii) pledged of fixed deposits with a licensed bank of certain subsidiaries as disclosed in Note 14 to the financial statements;
- (iv) negative pledge of the Group's unencumbered assets;
- (v) joint and several guarantee of certain subsidiaries;
- (vi) corporate guarantees of the Company; and
- (vii) leased assets as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM'000	Within one year RM'000	More than one year and less than two years RM'000	More than two years and less than five years RM'000
GROUP					
2023					
Bank overdrafts	7.95 to 8.20	2,211	2,211	-	-
Bill payables	4.66 to 5.28	2,430	2,430	-	-
Finance lease liabilities	3.20 to 3.37	31	31	-	-
Term loans	6.85	4,370	1,586	1,698	1,086
2022					
Bank overdrafts	7.40 to 7.95	1,019	1,019	-	-
Bill payables	3.45 to 4.64	4,020	4,020	-	-
Finance lease liabilities	2.98 to 3.37	381	324	57	-
Murabahah financing	3.15 to 7.75	2,539	2,539	-	-
Term loans	6.60	5,737	1,469	4,037	231
COMPANY					
2023					
Bank overdraft	8.20	117	117	-	-
2022					
Bank overdraft	7.95	235	235	-	-

19. **TRADE AND OTHER PAYABLES**

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	8,265	9,308	-	-
Other payables				
Sundry payables	2,407	4,304	1	9
Accruals	7,107	6,139	35	33
Deposit received	273	226	-	-
SST payable	1,537	1,393	-	-
GST payable	33	53	-	-
	11,357	12,115	36	42
Total trade and other payables	19,622	21,423	36	42

The trade payables are non-interest bearing and are normally settled on **30 to 120 days** (2022: 30 to 120 days) credit terms.

Included in the sundry payables of the Group is an amount of **RM91,365** (2022: RM43,247) due to a company in which certain directors of the Company have financial interests. The amounts are unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	18,304	19,828	36	42
United States Dollar	-	843	-	-
Singapore Dollar	1,304	675	-	-
Euro	14	77	-	-
	19,622	21,423	36	42

20. **REVENUE**

20.1 **Disaggregated revenue information**

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Types of revenue				
Sales of goods	185,735	204,581	-	-
Room revenue	19,640	15,864	-	-
Food and beverages income	2,511	2,442	-	-
Other hotel operation income	172	150	-	-
Total revenue from contracts with customers, balance carried forward	208,058	223,037	-	-

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	208,058	223,037	-	-
Distribution income	794	61	794	61
Gross dividend from:				
- a joint venture	-	-	-	1,500
- quoted equity investments	30	-	-	-
- subsidiaries	-	-	10,800	11,000
Rental income	688	629	-	-
Other revenue	1,512	690	11,594	12,561
Total revenue	209,570	223,727	11,594	12,561
Geographical segments				
Malaysia	189,918	202,258	-	-
Asia Pacific	17,150	19,501	-	-
United States of America	418	568	-	-
Europe	401	710	-	-
Others	171	-	-	-
Total revenue from contracts with customers	208,058	223,037	-	-

20.2 Contract balances

	GROUP	
	2023	2022
	RM'000	RM'000
Trade receivables (Note 12)	45,371	50,416
Contract assets (Note 13)	139	58
Contract liabilities (Note 13)	(5,473)	(5,082)

20.3 Performance obligations

The performance obligations to recognise revenue are as follows:

(i) Revenue from sale of goods

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on the delivery of the goods.

(ii) Revenue from room

Revenue from room is recognised over time during the period of stay for the hotel guests.

(iii) Revenue from food and beverages and other hotel operation

Revenue from food and beverage and other hotel operation are generally recognised at a point in time when the services are rendered.

21. COST OF SALES

	GROUP	
	2023	2022
	RM'000	RM'000
Direct operating costs from sales of goods	112,552	133,231
Hotel operation expenses	12,882	10,734
	125,434	143,965

22. **PROFIT BEFORE TAX**

This is arrived at:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
After charging:				
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	209	189	28	28
- under provision in prior year	2	10	-	2
- assurance related services	3	3	3	3
- non-audit services	13	-	-	-
- Other auditors				
- statutory audit				
- current year	24	24	-	-
- under provision in prior year	2	9	-	-
Bad debts written off	67	2	-	-
Depreciation of property, plant and equipment	8,871	8,428	-	-
Depreciation of right-of-use assets	1,162	1,048	-	-
Directors' fees				
- Executive directors	292	277	48	48
- Non-executive directors				
- Present directors	78	52	78	52
- Past directors	10	-	10	-
Expenses relating to lease of low value assets	52	34	-	-
Expenses relating to short term leases	716	735	-	-
Fair value loss on investment properties	90	-	-	-
* Interest expenses	902	1,039	7	12
Loss on derecognition of a right-of-use asset	-	136	-	-
Property, plant and equipment written off	201	114	-	-
** Staff costs	51,758	50,153	-	61
And crediting:				
Accretion of interest on amount due from a subsidiary	-	-	-	427
Distribution income	1,194	661	-	-
Fair value gain on investment properties	-	1,220	-	-
Fair value gain on short term funds	1,630	1,051	384	440
Fair value gain on quoted equity investments	137	-	-	-
Gain on disposal of property, plant and equipment	24	25	-	-
Gross dividend from quoted equity investments	255	128	-	-
Interest income	307	77	-	-
Realised gain on foreign exchange	727	1,225	-	-
Rental income	310	291	-	-
Unrealised gain on foreign exchange	647	325	-	-
* Interest expenses				
- Accretion of interest on lease liabilities	95	68	-	-
- Bank overdrafts	140	100	7	12
- Bill payables	183	292	-	-
- Finance lease liabilities	16	48	-	-
- Murabahah financing	-	52	-	-
- Term loans	468	479	-	-
	902	1,039	7	12

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
** Staff costs				
- Salaries, bonus, wages, overtime and allowances	46,232	44,473	-	-
- Defined contribution plan ("EPF")	4,645	4,582	-	-
- Social security contribution ("SOCSO") and employment insurance scheme ("EIS")	497	466	-	-
- Equity-settled share-based payments	384	632	-	61
	51,758	50,153	-	61

Directors' emoluments

The aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries are as shown below:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive directors of the Company:				
- Salaries, bonus and allowances	3,029	2,561	-	-
- EPF	518	440	-	-
- SOCSO and EIS	10	7	-	-
- Equity-settled share-based payments	31	210	-	-
	3,588	3,218	-	-
Directors' emoluments included in the staff costs	95	94	-	-
- Benefits-in-kind	3,683	3,312	-	-
	3,683	3,312	-	-
Executive directors of the subsidiaries:				
- Salaries, bonus and allowances	2,931	2,732	-	-
- EPF	423	401	-	-
- SOCSO and EIS	8	8	-	-
- Equity-settled share-based payments	149	154	-	-
	3,511	3,295	-	-
Directors' emoluments included in the staff costs	49	72	-	-
- Benefits-in-kind	3,560	3,367	-	-
	3,560	3,367	-	-
Total executive directors' emoluments	7,243	6,679	-	-

23. TAXATION

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Based on results for the financial year				
- Current tax				
- Malaysian income tax	(8,968)	(7,718)	-	-
- Deferred tax relating to the origination and reversal of temporary differences	5,850	(956)	-	-
Balance carried forward	(3,118)	(8,674)	-	-

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	(3,118)	(8,674)	-	-
(Under)/Over provision in prior year				
- Current tax	(1,064)	(22)	-	(1)
- Deferred tax	257	123	-	-
	(807)	101	-	(1)
	(3,925)	(8,573)	-	(1)
Deferred tax relate to items recognised in other comprehensive income (Note 10)	-	413	-	-

Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax	52,413	47,061	11,652	13,004
Less: Share of results of joint ventures	(4,833)	(1,639)	-	-
	47,580	45,422	11,652	13,004
Income tax at Malaysian statutory tax rate of 24%	(11,419)	(10,901)	(2,796)	(3,121)
Effect of tax rates in foreign jurisdiction	2	(11)	-	-
Income not subject to tax	963	792	2,875	3,223
Expenses not deductible for tax purposes	(1,416)	(982)	(79)	(102)
Effect of double deduction	99	106	-	-
Utilisation of reinvestment allowance	-	1,048	-	-
Utilisation of unrecognised unused tax losses and unabsorbed capital allowances	294	1,183	-	-
Utilisation of previously unrecognised deferred tax assets	-	9	-	-
Deferred tax assets not recognised	(189)	(79)	-	-
Deferred tax assets recognised on unabsorbed investment tax allowance	8,455	-	-	-
Deferred tax assets recognised on unabsorbed reinvestment allowances	-	45	-	-
Effect of real property gains tax applied on the fair value changes of the investment properties	(6)	(6)	-	-
Annual crystallisation of deferred tax on revaluation reserve	99	122	-	-
	(3,118)	(8,674)	-	-
(Under)/Over provision in prior year	(807)	101	-	(1)
	(3,925)	(8,573)	-	(1)

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deferred tax recognised:				
Property, plant and equipment	368	358	-	-
Unused tax losses	(187)	(226)	-	-
Unabsorbed capital allowances	(181)	(132)	-	-
	-	-	-	-
Deferred tax assets not recognised:				
Unused tax losses	(7,638)	(8,077)	-	-
Unabsorbed capital allowances	(207)	(206)	(190)	(190)
	(7,845)	(8,283)	(190)	(190)

The gross amount and future availability of unused tax losses and unabsorbed capital allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	8,339	9,128	-	-
Unabsorbed capital allowances	1,051	8,687	190	190
Unabsorbed investment tax allowance	34,503	35,227	-	-
Unabsorbed reinvestment allowance	3,509	3,509	-	-

In respect of Malaysia's subsidiaries, the unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. However, unabsorbed capital allowances can be carried forward indefinitely.

In respect of Singapore's subsidiary, unused tax losses can be carried forward indefinitely.

The unabsorbed reinvestment allowances will be disregarded in the following YAs:

	GROUP	
	2023	2022
	RM'000	RM'000
YA 2028	3,351	3,351
YA 2029	158	158
	3,509	3,509

The unused tax losses will be disregarded in the following YAs:

	GROUP	
	2023	2022
	RM'000	RM'000
YA 2029	3,434	4,880
YA 2030	1,762	1,791
YA 2031	1,924	1,947
YA 2032	-	44
YA 2033	259	302
YA 2034	693	-
	8,072	8,964

24. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2023	2022
Profit for the financial year (RM'000)	48,488	38,488
Weighted average number of ordinary shares in issue ('000)	266,060	264,923
Basic earnings per share (sen)	18.22	14.53

(b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year adjusted to assume conversion of all dilutive potential ordinary shares arising from shares granted to employees as follows:

	GROUP	
	2023	2022
Profit for the financial year (RM'000)	48,488	38,488
Weighted average number of ordinary shares in issue ('000)	266,060	264,923
Adjustment for dilutive effect of ESOS ('000)	57	57
	266,117	264,980
Basic earnings per share (sen)	18.22	14.52

25. DIVIDEND

	2023	2022
	RM'000	RM'000
In respect of financial year ended 31 December 2022		
- Single tier interim dividend of RM0.0025 per share	665	-

On 26 February 2024, the Company has declared a single tier interim dividend of RM0.00375 per ordinary share amounting to RM999,145 in respect of the financial year ended 31 December 2023 and paid on 26 March 2024. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2024.

26. CAPITAL COMMITMENTS

	GROUP	
	2023	2022
	RM'000	RM'000
Contracted but not provided for		
- Property, plant and equipment	218	2,796
- Investment properties	177	653
	395	3,449

27. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments. The primary format and business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The operations of the Group are organised into the following main business segments:

- | | | |
|-------|---------------|---|
| (i) | Investment | Investment holding and provision of financial, administrative and advisory services. |
| (ii) | Manufacturing | Manufacturing and retailing of corrugated cartons, packing materials, gift and display boxes. |
| (iii) | Property | Property investment. |
| (iv) | Trading | Trading of paper products, design and sale of paper. |
| (v) | Hospitality | Management and operation of hotel and restaurant. |

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial year.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

	Investments RM'000	Manufacturing RM'000	Property RM'000	Trading RM'000	Hospitality RM'000	Eliminations RM'000	Note	Total RM'000
2023								
Revenue								
External sales	824	173,553	145	12,181	22,867	-		209,570
Inter-segment sales	4,000	4,338	630	-	127	(9,095)	A	-
Total revenue	4,824	177,891	775	12,181	22,994	(9,095)		209,570
Result								
Segment results	1,019	35,111	(372)	4,560	7,857	-		48,175
Finance costs								(902)
Finance income								307
Share of results of joint ventures								4,833
Profit before tax								52,413
Taxation								(3,925)
Profit for the financial year								48,488
Assets								
Segment assets	41,435	237,315	7,428	13,487	93,049	-		392,714
Investment in joint ventures								34,931
Deferred tax assets								7,377
Current tax assets								3,520
Total assets								438,542
Liabilities								
Segment liabilities	161	27,660	151	2,124	5,794	-		35,890
Deferred tax liabilities								12,401
Current tax liabilities								47
Total liabilities								48,338
Other segment information								
Additions to non- current assets	-	5,886	-	620	968	-	B	7,474
Depreciation	-	6,549	89	310	3,085	-		10,033
Non-cash (income)/ expenses other than depreciation	(521)	(882)	90	22	(405)	-	C	(1,696)

	Investments RM'000	Manufacturing RM'000	Property RM'000	Trading RM'000	Hospitality RM'000	Eliminations RM'000	Note	Total RM'000
2022								
Revenue								
External sales	61	194,668	104	9,912	18,982	-		223,727
Inter-segment sales	11,056	3,650	630	2	31	(15,369)	A	-
Total revenue	<u>11,117</u>	<u>198,318</u>	<u>734</u>	<u>9,914</u>	<u>19,013</u>	<u>(15,369)</u>		<u>223,727</u>
Result								
Segment results	88	35,944	(181)	3,371	7,162	-		46,384
Finance costs								(1,039)
Finance income								77
Share of results of joint ventures								<u>1,639</u>
Profit before tax								47,061
Taxation								<u>(8,573)</u>
Profit for the financial year								<u>38,488</u>
Assets								
Segment assets	30,023	226,636	7,444	11,292	87,337	-		362,732
Investment in joint ventures								30,098
Current tax assets								<u>2,846</u>
Total assets								<u>395,676</u>
Liabilities								
Segment liabilities	282	32,944	167	2,082	6,705	-		42,180
Deferred tax liabilities								11,130
Current tax liabilities								<u>1,080</u>
Total liabilities								<u>54,390</u>
Other segment information								
Additions to non- current assets	-	11,819	2,694	150	490	-	B	15,153
Depreciation	-	6,117	47	254	3,058	-		9,476
Non-cash (income)/ expenses other than depreciation	(379)	(239)	116	(27)	(1,234)	-	C	(1,763)

Notes to segmental information:

A Inter-segment revenue are eliminated on consolidation.

B Additions to non-current assets consist of:

	2023 RM'000	2022 RM'000
Property, plant and equipment	5,679	10,664
Investment properties	705	2,300
Right-of-use assets	1,090	2,189
	<u>7,474</u>	<u>15,153</u>

It excludes the additions of financial instruments and deferred tax assets.

C Other material non-cash (income)/expenses other than depreciation consist of the following items:

	2023 RM'000	2022 RM'000
Bad debts written off	67	2
Equity-settled share-based payments	384	632
Fair value loss/(gain) on investment properties	90	(1,220)
Fair value gain on short term funds	(1,630)	(1,051)
Fair value gain on equity investments	(137)	-
Gain on disposal of property, plant and equipment	(24)	(25)
Loss on derecognition of right-of-use asset	-	136
Property, plant and equipment written off	201	114
Reversal of allowance for expected credit losses	-	(26)
Unrealised gain on foreign exchange	(647)	(325)
	(1,696)	(1,763)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and non-current assets respectively are as follows:

	Revenue		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	191,430	202,948	211,350	202,441
Asia Pacific	17,150	19,501	6,739	4,167
United States of America	418	568	-	-
Europe	401	710	-	-
Others	171	-	-	-
	209,570	223,727	218,089	206,608

Information about major customers

There is no single customer that contributed to 10% or more of the Group's revenue during the financial year.

28. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, joint ventures, key management personnel and the following parties:

Related parties	Relationship
Fame Pack Holdings Sdn. Bhd. :	A substantial shareholder of the Company and connected to Mr. Koay Chiew Poh.
Koay Boon Pee Holding Sdn. Bhd. :	A company in which the directors of the Company, namely Mr. Koay Chiew Poh, Mr. Koay Chiew Kang and Mr. Koay Chue Beng, have substantial financial interests.
Peoples Primary Healthcare Sdn. Bhd. :	A company in which the directors of the Company, namely Mr. Koay Teng Liang and Mr. Koay Teng Kheong, have substantial financial interests.
Peoples Primary Pharmacy Sdn. Bhd. :	A company in which the directors of the Company, namely Mr. Koay Teng Liang and Mr. Koay Teng Kheong, have substantial financial interests.

(ii) **Related Parties Transactions**

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	10,800	11,000
Dividend income from a joint venture	-	-	-	1,500
Advances to subsidiaries	-	-	800	5,700
Debts capitalisation to investment in a subsidiary	-	-	-	(5,465)
Rental of premises paid to related parties:				
- Fame Pack Holdings Sdn. Bhd.	277	244	-	-
- Koay Boon Pee Holding Sdn. Bhd.	83	83	-	-
Rental of premise paid to certain directors of the Company:				
- Mr. Koay Teng Kheong	24	24	-	-
- Mr. Koay Teng Liang	54	54	-	-
Rental of premise paid to a director of a subsidiary, Madam Ooi Siew Hong	6	6	-	-
Rental of motor vehicles paid to Koay Boon Pee Holding Sdn. Bhd.	722	756	-	-
Medical care and supplies paid to related parties:				
- Peoples Primary Healthcare Sdn. Bhd.	175	218	-	-
- Peoples Primary Pharmacy Sdn. Bhd.	16	46	-	-

(iii) **Compensation of key management personnel**

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly.

The remuneration of the directors and other members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors' fees	380	329	136	100
Salaries and other short-term employee benefits	7,805	7,195	-	-
Defined contribution plan	1,240	1,159	-	-
Equity-settled share-based payments	232	410	-	30
	9,657	9,093	136	130

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Analysed as:				
- Directors	7,623	7,008	136	100
- Key management personnel	2,034	2,085	-	30
	9,657	9,093	136	130

The directors and other members of key management have been granted with the following number of share options and share grants:

	GROUP AND COMPANY	
	Number of ESOS	
	2023	2022
	'000	'000
Balance at beginning	15	7
Bonus issue	-	2
Granted	-	201
Exercised	-	(189)
Rejected	-	(6)
Balance at end	15	15

	GROUP	
	Number of ESGS	
	2023	2022
	'000	'000
Balance at beginning	-	-
Granted	349	441
Vested	(349)	(441)
Balance at end	-	-

The ESOS and ESGS were granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 32 to the financial statements.

29. FINANCIAL INSTRUMENTS

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as FVTPL, amortised cost ("AC") and FVOCI.

	Carrying amount	FVTPL	AC	FVOCI
	RM'000	RM'000	RM'000	RM'000
GROUP				
2023				
Financial assets				
Other investments	135,909	129,350	-	6,559
Trade and other receivables, excluding prepayments	46,371	-	46,371	-
Cash and bank balances	27,152	-	27,152	-
	209,432	129,350	73,523	6,559

	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
GROUP				
2023				
Financial liabilities				
Borrowings	9,042	-	9,042	-
Trade and other payables, excluding SST and GST payable	18,052	-	18,052	-
	27,094	-	27,094	-
2022				
Financial assets				
Other investments	85,336	81,053	-	4,283
Trade and other receivables, excluding prepayments	51,289	-	51,289	-
Cash and bank balances	37,501	-	37,501	-
	174,126	81,053	88,790	4,283
Financial liabilities				
Borrowings	13,696	-	13,696	-
Trade and other payables, excluding SST and GST payable	19,977	-	19,977	-
	33,673	-	33,673	-
COMPANY				
2023				
Financial assets				
Trade and other receivables	2	-	2	-
Other investments	38,243	38,243	-	-
Cash and bank balances	6,271	-	6,271	-
	44,516	38,243	6,273	-
Financial liabilities				
Borrowing	117	-	117	-
Trade and other payables	36	-	36	-
	153	-	153	-
2022				
Financial assets				
Trade and other receivables	148	-	148	-
Other investments	24,916	24,916	-	*
Cash and bank balances	11,215	-	11,215	-
	36,279	24,916	11,363	*
Financial liabilities				
Borrowing	235	-	235	-
Trade and other payables	42	-	42	-
	277	-	277	-

* Represents RM1

29.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

29.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

29.3.1 Trade receivables

The Group remain credit terms to the customers that range between **30 to 180 days** (2022: 30 to 180 days). Credit terms extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group requires deposits from the customers.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM'000	Allowance for ECL RM'000	Net RM'000
GROUP			
2023			
Not past due	35,647	-	35,647
1 to 30 days past due	6,272	-	6,272
31 to 60 days past due	2,101	-	2,101
61 to 90 days past due	839	-	839
More than 90 days past due	512	-	512
	9,724	-	9,724
Individually impaired	3	(3)	-
	45,374	(3)	45,371
2022			
Not past due	40,772	-	40,772
1 to 30 days past due	7,086	-	7,086
31 to 60 days past due	1,687	-	1,687
61 to 90 days past due	654	-	654
More than 90 days past due	217	-	217
	9,644	-	9,644
Individually impaired	3	(3)	-
	50,419	(3)	50,416

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM9,723,744** (2022: RM9,643,834) that are past due but not impaired at the end of the reporting period as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

As at the end of the reporting period, the Group has no significant concentration of credit risk.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECL for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM'000	Allowance for ECL RM'000	Net RM'000
Credit risk rating			
GROUP			
2023			
Low risk	45,510	-	45,510
Individually impaired	3	(3)	-
	45,513	(3)	45,510
2022			
Low risk	50,474	-	50,474
Individually impaired	3	(3)	-
	50,477	(3)	50,474

In managing the credit risk of the trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables and contract assets at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as gross domestic products ("GDP") rate has been incorporated in determining the ECL.

Trade receivables are usually collectible and the Group does not have much material historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No ECL is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

29.3.2 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries and a joint venture company up to a limit of **RM146,860,000** (2022: RM153,579,252), of which the amount utilised as at the end of the reporting period was **RM20,554,290** (2022: RM25,965,989), representing the credit risk exposure to the Company as at that date.

The Company monitors on an ongoing basis the results of the subsidiaries and a joint venture company and repayments made by the subsidiaries and a joint venture company. As at the end of the reporting period, there was no indication that any subsidiaries and a joint venture company would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

29.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period and are based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	More than one year and less than five years RM'000
GROUP				
2023				
<i>Non-derivative financial liabilities</i>				
Borrowings	9,042	9,459	6,509	2,950
Lease liabilities	1,753	1,830	1,098	732
Trade and other payables, excluding SST and GST payable	18,052	18,052	18,052	-
Total undiscounted financial liabilities	28,847	29,341	25,659	3,682
2022				
<i>Non-derivative financial liabilities</i>				
Borrowings	13,696	14,436	9,738	4,698
Lease liabilities	1,979	2,001	962	1,039
Trade and other payables, excluding SST and GST payable	19,977	19,977	19,977	-
Total undiscounted financial liabilities	35,652	36,414	30,677	5,737
COMPANY				
2023				
<i>Non-derivative financial liabilities</i>				
Borrowing	117	117	117	-
Trade and other payables	36	36	36	-
Financial guarantees *	-	20,554	20,554	-
Total undiscounted financial liabilities	153	20,707	20,707	-
2022				
<i>Non-derivative financial liabilities</i>				
Borrowing	235	235	235	-
Trade and other payables	42	42	42	-
Financial guarantees *	-	25,966	25,966	-
Total undiscounted financial liabilities	277	26,243	26,243	-

* The financial guarantees are included for illustration purpose only as they have not crystallised as at the end of the reporting period.

29.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on their carrying amount as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	238	231	-	-
Financial liabilities	2,461	6,940	-	-
Floating rate instruments				
Financial liabilities	6,581	6,756	117	235

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have an insignificant impact to the Group's and the Company's profit before tax and equity. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

29.6 Foreign currency risk

The objectives of the Group's foreign exchange policy are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	GROUP	
	2023	2022
	RM'000	RM'000
USD	1,419	1,859
SGD	283	429
Others	18	(7)
Decrease in profit before tax	1,720	2,281
Decrease in equity	1,307	1,734

29.7 Equity price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL and FVOCI will fluctuate because of changes in market prices. Equity price risk arises from the Group's other investments which are the equity securities quoted in both local and foreign countries and investment in unit trusts and short term funds.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company. While for the investment in unit trusts and short term funds, the management of the Group monitors the unit trusts and short term funds and it can be redeemed at any time upon notice given to the financial institution.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share prices of the quoted equity securities has been 5% higher/lower, with all other variables held constant, the Group's profit before tax and equity would have been higher/lower by the amount shown below, arising as a result of higher/lower fair value gain on investment in quoted shares.

	GROUP	
	2023	2022
	RM'000	RM'000
Increase in profit before tax and equity of FVTPL	101	-
Increase in equity of FVOCI	328	214

As at the end of the reporting period, if the prices of the unit trusts and short term funds has been 1% higher/lower, with all other variables held constant, the Group's and the Company's profit before tax and equity would have been higher/lower by the amount shown below, arising as a result of higher/lower fair value gain on investment in unit trusts and short term funds.

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Increase in profit before tax and equity	1,273	811	382	249

30. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and the Company's financial assets (other than other investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

30.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP					
2023					
Financial asset					
Other investments	135,909	-	-	135,909	135,909
2022					
Financial asset					
Other investments	85,336	-	-	85,336	85,336

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
COMPANY					
2023					
Financial asset					
Other investments	38,243	-	-	38,243	38,243
2022					
Financial asset					
Other investments	24,916	-	-	24,916	24,916

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

30.2 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's investment properties with reference to valuation reports by external independent professional valuers using market comparison method.

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation techniques	Significant unobservable inputs	Range
2023		
Market comparison method	Difference in location, size, level, time, condition, tenure, facility and corner premium	-20% to 30%
2022		
Market comparison method	Difference in location, size, level, time, facility and corner premium	-20% to 15%

Significant changes in any of the above inputs in isolation would result in significant changes in the fair value of investment properties.

Market comparison method

Under the market comparison method, the land and buildings are valued by reference to transactions of similar land and buildings in the surrounding with adjustments made for difference in location, size, level, time, condition, tenure, facility, corner premium and other relevant characteristics.

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
GROUP					
2023					
Investment properties	-	24,740	-	24,740	24,740
2022					
Investment properties	-	24,830	-	24,830	24,830

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 2 fair value of investment properties have been generally derived using the market comparison approach. Selling price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total borrowings	9,042	13,696	117	235
Less: Cash and bank balances	(27,152)	(37,501)	(6,271)	(11,215)
Net cash	(18,110)	(23,805)	(6,154)	(10,980)
Total equity	390,204	341,286	194,851	183,480
Gearing ratio	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A – Not applicable as net cash position

32. EMPLOYEE SHARE OPTION SCHEME (“ESOS”) AND EMPLOYEE SHARE GRANT SCHEME (“ESGS”)

The Company's ESOS and ESGS are governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 29 August 2017. The ESOS and ESGS will be in force for a maximum period of five years till 6 October 2022 and had been extended for a further five years which expiring on 6 October 2027.

The salient features of the ESOS and ESGS are as follows:

- (i) The total number of new ordinary shares which are available to be issued under the ESGS and ESOS shall not in aggregate exceed fifteen percent (15%) of the total issued and share capital (excluding treasury shares) of the Company at any point in time during the duration of the scheme.
- (ii) A person shall be eligible to participate in the ESGS and ESOS if, as at the date of offer, has attained the age of at least eighteen (18) years old; not be an undischarged bankrupt nor subject to any bankruptcy proceedings; is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration. Eligibility to participate in the scheme does not confer on an Eligible Person a claim or right to participate in the scheme unless the Scheme Committee has made an offer and the Eligible Person has accepted the offer in accordance with the terms of the offer and the scheme. The selection of any Eligible Person to participate in the scheme shall be at the discretion of the Scheme Committee.

- (iii) The aggregate maximum number of shares that may be allocated shall be determined by the Scheme Committee, on an annual basis, provided that the allocation to any individual Eligible Person who, either singly or collectively through persons connected with that Eligible person, holds twenty percent (20%) or more of the issued share capital of the Company, shall not exceed ten percent (10%) of the Maximum Shares Available.
- (iv) The options shall continue to be in force for a period of five (5) years thereafter, provided that the approval of Bursa securities for the listing of and quotation for the new shares to be issue; the approval of the shareholders of the Company; and the fulfilment of all conditions attached to the approvals.
- (v) The new ordinary shares to be allotted upon the exercise of the option will, upon allotment, rank *pari passu* in all respects with the then existing issued and fully paid-up shares of the Company, except that the new ordinary shares so allotted will not be entitled to any rights, dividends, allotments or other forms of distribution, the entitlement date of which is declared prior to the date of allotment of the ordinary shares and will be subject to all the provisions of the Constitution of the Company and the Listing Requirements relating to transfer, transmission and otherwise.

ESOS

Movement of ESOS during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, ESOS during the financial year:

Existing ESOS	Grant date	Exercise price	----- Number of ESOS -----				Balance at 31.12.2023
			Balance at 1.1.2023	Granted	Exercised		
I	21.7.2021	0.560	9,100	-	-		9,100
II	30.6.2022	0.465	32,409	-	-		32,409
III	19.10.2022	0.495	15,978	-	-		15,978

Existing ESOS	Grant date	Exercise price RM	----- Number of ESOS -----						Balance at 31.12.2022
			Balance at 1.1.2022	Granted	Effect of bonus issue	Exercised	Rejected		
I	21.7.2021	0.560	6,500	-	2,600	-	-		9,100
II	30.6.2022	0.465	-	372,664	-	(313,383)	(26,872)		32,409
III	19.10.2022	0.495	-	50,030	-	(15,302)	(18,750)		15,978

The weighted average fair value of ESOS in the previous financial year was RM0.16.

The weighted average share price at the date of the ESOS exercised in the previous financial year was RM0.60.

Fair value of ESOS

The fair value of the ESOS granted were estimated at the grant date using the Black-Scholes Model, taking into account the terms and conditions upon which the ESOS were granted.

The following table lists the inputs to the Black-Scholes Model for the financial year ended 31 December:

Grant date	GROUP		
	21.7.2021	30.6.2022	19.10.2022
Fair value of ESOS at grant date (RM)	0.2491	0.1576	0.2111
Expected volatility (%)	72.93	23.30	30.27
Risk-free interest rate (% p.a.)	3.48	3.55	4.25
Expected dividend yield (%)	0	0	0
Expected life of option (days)	441	1,924	1,813
Share price (RM)	1.02	0.56	0.60
Exercise price (RM)	0.785	0.465	0.495

The expected life of the ESOS is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the ESOS is indicative of future trends, which may not necessarily be the actual outcome.

ESGS

Movement of ESGS during the financial year

The movements of the ESGS during the financial year is as follows:

Existing ESGS	Grant date	----- Number of ESGS -----				Balance at 31.12.2023
		Balance at 1.1.2023	Granted	Vested	Rejected	
I	16.6.2023	-	423,200	(423,200)	-	-
II	8.11.2023	-	164,000	(164,000)	-	-

Existing ESGS	Grant date	----- Number of ESGS -----				Balance at 31.12.2022
		Balance at 1.1.2022	Granted	Vested	Rejected	
I	30.6.2022	-	601,422	(601,422)	-	-
II	19.10.2022	-	448,530	(439,780)	(8,750)	-

The weighted average fair value of ESGS during the financial year is **RM0.65** (2022: RM0.55). The eligible persons will be awarded ordinary shares in the Company without any consideration payable by them.

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

The effects of the above reclassifications to the financial statements of the Group and of the Company are as follows:

	As previously stated RM'000	Reclassifications RM	As restated RM
As at 31 December 2022			
Statements of financial position			
GROUP			
Share capital	133,918	(744)	133,174
Retained profits	<u>200,203</u>	<u>744</u>	<u>200,947</u>
COMPANY			
Share capital	133,918	(744)	133,174
Retained profits	<u>49,552</u>	<u>744</u>	<u>50,296</u>
As at 1 January 2022			
Statements of financial position			
GROUP			
Share capital	94,787	(173)	94,614
Retained profits	<u>199,895</u>	<u>173</u>	<u>200,068</u>
COMPANY			
Share capital	94,787	(173)	94,614
Retained profits	<u>74,903</u>	<u>173</u>	<u>75,076</u>

**LIST OF PROPERTIES OWNED BY
PUBLIC PACKAGES HOLDINGS BERHAD AND ITS SUBSIDIARIES
AS AT 31 DECEMBER 2023**

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.2023 RM
PUBLIC PACKAGES SDN. BHD.						
Plot 72 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 2.10.2047	Factory building	28.11.2007	34	22,509 / 11,516	948,120
Plot 96(A) Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 22.5.2050	Factory building	28.11.2007	34	32,356 / 5,688	1,208,494
Plot 96(B) Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 5.7.2054	Factory building	28.11.2007	27	16,985 / 9,979	437,824
Plot 67 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 14.8.2047	Factory and office building	28.11.2007	35	44,083 / 94,249	2,177,770
Plot 116 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 18.10.2055	Factory and office building	28.11.2007	29	84,183 / 7,317	1,807,594
Block F95 Taman Pelangi, Prai (10 units)	Leasehold 22.4.2092	Hostel	28.11.2007	27	- / 500 (per unit)	385,588

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.foot)	Carrying Amount as at 31.12.2023 RM
PUBLIC PACKAGES (NT) SDN. BHD.						
Lot 5632 Mukim 11 (Nibong Tebal) Seberang Perai Selatan, Penang	Freehold	Factory Building	28.11.2007	29	- / 137,152	8,926,856
PPH PRINTING & PACKAGING (PENANG) SDN. BHD.						
Plot 482 Jalan Perusahaan Baru, Prai Industrial Estate, Penang	Leasehold 23.2.2049	Factory and office building	28.11.2007	34	43,738 / 38,474	1,489,995
A-1-3 Kelisa Apartment Lorong Kikik Satu, Taman Inderawasih, Seberang Perai	Freehold	Hostel	28.11.2007	31	- / 726	61,200
Block F95 Taman Pelangi, Prai (10 units)	Leasehold 22.4.2092	Hostel	28.11.2007	27	- / 500 (per unit)	385,588
Plot 468 Jalan Perusahaan Baru, Prai Industrial Estate, Penang	Leasehold 19.4.2049	Factory and office building	28.11.2007	34	93,329 / 77,727	3,416,852
PUBLIC PACKAGES (PRAI) SDN. BHD.						
Plot 60 P.T. No: 2941 Prai Industrial Estate Phase 4 Mukim 11 Seberang Perai Tengah, Penang	Leasehold 29.6.2052	Factory and office building	28.11.2007	29	261,361 / 140,924	9,537,238
PPH PRINTING & PACKAGING (KULIM) SDN. BHD.						
Plot 75 Kulim Industrial Estate Kulim, Kedah	Leasehold 21.9.2049	Factory and office building	28.11.2007	33	52,272 / 54,140	1,265,590

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.2023 RM
PUBLIC PACKAGES PROPERTIES SDN. BHD.						
Lot 5632 Mukim 11 (Nibong Tebal) Seberang Perai Selatan, Penang	Freehold	Rental	31.12.2023	-	511,877 / -	6,578,000
84 Lebuhraya Kapal, Perai, Penang	Freehold	Rental	31.12.2023	38	1,389 / 2,800	490,000
5-2-4 Edgecumbe Court, Penang	Freehold	Rental	31.12.2023	34	- / 700	430,000
Unit SB15 Block A, No. 1 Persiaran Gurney, Penang	Freehold	Rental	31.12.2023	35	- / 1,815	1,250,000
Unit I-4-3 Taman Desa Relau, Penang	Freehold	Rental	31.12.2023	31	- / 700	270,000
Unit 368-2-04 Belisa Row Jalan Burma, Penang	Freehold	Rental	31.12.2023	28	- / 1,055	650,000
No. A-17-02, Verticas Residensi, off Jalan Ceylon, Kuala Lumpur	Freehold	Rental	31.12.2023	13	- / 2,111	1,650,000
Lot15 Jalan Utas 15/7 Section 15 40000 Shah Alam, Selangor	Leasehold 31.10.2070	Rental	31.12.2023	10	14,966 / 273	5,336,418
No.92A, Jalan Pisang Berangan, 11700 Glugor Penang	Leasehold 01.07.2117	Rental	31.12.2023	2	- / 3,800	2,300,000
PPH PLAZA SDN. BHD.						
Lot 742 Section 23 Bandar Georgetown Daerah Timur Laut, Penang	Freehold	Hotel	23.12.2002	-	39,107	49,781,757
Lot 741 & 743 Section 23 Bandar Georgetown Daerah Timur Laut, Penang	Freehold	Rental	31.12.2023	-	17,137	17,700,000
						118,484,884

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL as at 1 APRIL 2024

No. of shares	:	266,438,791 shares
Classes of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	3,780

SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees) as at 1 APRIL 2024

Name	No. of Ordinary Shares Held			
	Direct Interest	%	Indirect Interest	%
1. Fame Pack Holdings Sdn. Bhd.	108,558,408	40.74	-	-
2. Multiple Accomplishments Sdn. Bhd.	17,548,763	6.59	-	-
3. Koay Chiew Poh	10,445,251	3.92	118,277,823 *	44.39
4. Ooi Siew Hong	612,426	0.23	118,277,823 *	44.39
5. Koay Teng Liang	2,016,903	0.76	17,559,763 **	6.59
6. Koay Teng Kheong	1,904,910	0.71	17,559,763 **	6.59

Note:

* Deemed interested by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd., Koay Boon Pee Holding Sdn. Bhd., and his son respectively.

** Deemed interested by virtue of Section 8 of the Companies Act 2016 by virtue of shares held through Multiple Accomplishments Sdn. Bhd. and his spouse respectively.

DIRECTORS' SHAREHOLDINGS as at 1 APRIL 2024

Name	No. of Ordinary Shares Held			
	Direct Interest	%	Indirect Interest	%
1. Koay Chiew Poh	10,445,251	3.92	118,890,249 (a)	44.62
2. Koay Chiew Kang	2,567,749	0.96	9,844,390 (b)	3.70
3. Koay Teng Liang	2,016,903	0.76	17,559,763 (c)	6.59
4. Koay Teng Kheong	1,904,910	0.71	17,559,763 (c)	6.59
5. Nurjannah Binti Ali	-	-	-	-
6. Koay Chue Beng	938,860	0.35	9,443,999 (d)	3.54
7. Tang Boon Lee	11,519	0.01	-	-
8. Dr. Sek Weng Yew	-	-	-	-
9. Soon Poh Lean	-	-	-	-

Notes:

(a) Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd., Koay Boon Pee Holding Sdn. Bhd., his spouse and son respectively.

(b) Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd., his spouse and daughter respectively.

(c) Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Multiple Accomplishments Sdn. Bhd. and his spouse respectively.

(d) Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd.

DISTRIBUTION OF SHAREHOLDERS as at 1 APRIL 2024

Holdings	No. of	%	No. of Shares	%
1 - 99	389	10.29	20,234	0.01
100 - 1,000	386	10.21	165,413	0.06
1,001 - 10,000	1,317	34.84	6,861,066	2.58
10,001 - 100,000	1,498	39.63	41,456,879	15.56
100,001 - 13,321,938 *	188	4.98	91,828,028	34.46
13,321,939 and above **	2	0.05	126,107,171	47.33
TOTAL	3,780	100.00	266,438,791	100.00

Remark: * Less than 5% of issued shares

** 5% and above of issued shares

THIRTY LARGEST SHAREHOLDERS as at 1 APRIL 2024

No.	Name	No. of Shares	%
1.	Fame Pack Holdings Sdn. Bhd.	108,558,408	40.74
2.	Multiple Accomplishments Sdn. Bhd.	17,548,763	6.59
3.	Koay Chiew Poh	10,445,251	3.92
4.	Koay Boon Pee Holding Sdn. Bhd.	9,443,999	3.54
5.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Kong Kok Choy (8092812)	5,600,080	2.10
6.	Koay Chiew Kang	1,911,753	0.72
7.	Koay Teng Liang	1,902,903	0.71
8.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Poh Kwee	1,800,400	0.68
9.	Koay Teng Kheong	1,790,910	0.67
10.	Lee Seow Chuan	1,635,000	0.61
11.	Lim Pei Tiam @ Liam Ahat Kiat	1,500,000	0.56
12.	Ooi Chin Hock	1,418,400	0.53
13.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Gan Seong Liam	1,400,000	0.53
14.	Lee Keng Fah	1,346,900	0.51
15.	Tan Aik Choon	1,327,300	0.50
16.	Do Hock Kwong	1,264,619	0.48
17.	Loh Chung Hai	1,262,500	0.47
18.	Koay Chew Guan	1,139,951	0.43
19.	Kong Jit Chong	1,110,000	0.42
20.	RHB Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Robert Wing-Yee Snashall	991,200	0.37
21.	Koay Chue Beng	938,860	0.35
22.	Gan Kho @ Gan Hong Leong	886,200	0.33
23.	PM Nominees (Tempatan) Sdn. Bhd. Malpac Management Sdn. Bhd.	827,999	0.31
24.	Koay Chiew Lee	800,195	0.30
25.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Kong Kok Choy (SRB/PMS)	800,000	0.30
26.	Raymond Ong Kee Chuen	800,000	0.30
27.	Tan Yau Lam	773,660	0.29
28.	Shin Kao Jack	736,900	0.28
29.	Gan Kho @ Gan Hong Leong	712,800	0.27
30.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Goalkey System Sdn. Bhd. (MY1461)	670,000	0.25
		181,344,951	68.06

PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.											
				-			-					

PUBLIC PACKAGES HOLDINGS BERHAD
Registration No. 198701003743 (162413-K)
(Incorporated in Malaysia)

*I/We.....(*NRIC/Passport/CompanyNo.....)
 (Full Name in Block Letters)

of
 (Address)

being a * member / members of the abovenamed Company, hereby appoint:

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

*and/or

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 37th Annual General Meeting (“AGM”) of the Company will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuhraya, 10300 Penang on Wednesday, 29 May 2024 at 10.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To re-elect Mr. Koay Chiew Poh as a Director of the Company.		
2.	To re-elect Mr. Koay Teng Liang as a Director of the Company.		
3.	To re-elect Mr. Koay Teng Kheong as a Director of the Company.		
4.	To approve the payment of Directors’ Fees.		
5.	To approve the payment of Directors’ Benefits.		
6.	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company.		
7.	To authorise the Directors to allot and issue new shares in the Company.		

Signed thisday of2024.

Notes:

Signature of Member(s)/Common Seal

1. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint up to a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
4. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
5. For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang not less than 48 hours before the time for holding the meeting or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. Any completed proxy form transmitted by facsimile or electronic mail to the registered office of the Company will not be accepted.
6. In the case of a corporate member, the proxy form must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised in which, it must be supported by a certified true copy of the relevant form or resolution appointing the officer or certified true copy of the power of attorney.
7. For the purpose of determining a member who shall be entitled to attend the 37th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 15 May 2024. Only a depositor whose name appears on the Record of Depositors as at 15 May 2024 shall be entitled to attend the 37th AGM or appoint proxies to attend and/or vote on his/her behalf.

* Strike out whichever is not applicable.

Fold along this line

AFFIX
STAMP



PUBLIC PACKAGES HOLDINGS BERHAD
Registration No. 198701003743 (162413-K)

Wisma Public Packages,
Plot 67 Lintang Kampong Jawa,
Bayan Lepas Industrial Estate,
11900 Bayan Lepas, Penang.

Fold along this line



PUBLIC PACKAGES HOLDINGS BERHAD 198701003743(162413-K)

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-  +604 6444 777  +604 6436 699
-  solutions@pph.com.my / www.pph.com.my