



2024

ANNUAL REPORT

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 38th 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 Monday, 26 May 2025 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 2024 together with the Reports of Directors and Auditors thereon. | Please refer to Note 8 |
| 2. | To re-elect Mr. Koay Chiew Kang, 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 Puan Nurjannah Binti Ali, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers herself for re-election. | Resolution 2 |
| 4. | To re-elect Mr. Tang Boon Lee, 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 re-elect Mr. Gooi Chye Soon, a Director who retires pursuant with Article 106 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 4 |
| 6. | To approve the payment of Directors’ fees amounting to RM150,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2025. | Resolution 5 |
| 7. | To approve the payment of Directors’ fees amounting to RM100,000 to the Executive Directors of the Company for the financial year ending 31 December 2025. | Resolution 6 |
| 8. | To approve the payment of Directors’ benefits of not exceeding RM100,000 for the financial year ending 31 December 2025. | Resolution 7 |
| 9. | 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 8 |

SPECIAL BUSINESS

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

- | | | |
|-----|--|---------------------|
| 10. | 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 9 |
|-----|--|---------------------|

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.”

11. 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: 23 April 2025

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 in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the 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 Exempt 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 38th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 13 May 2025. Only a depositor whose name appears on the Record of Depositors as at 13 May 2025 shall be eligible to attend the 38th 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 2024 will be laid to shareholders at the forthcoming 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 5 – Re-election of Directors**

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election in accordance with the Directors' Fit & Proper Policy and was satisfied therewith. The Board had endorsed the Nominating Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming AGM are provided in the Company's Annual Report 2024.

(10) **Agenda 6 and Agenda 7 – Directors' Fees**

The Resolutions 5 and 6, 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 ending 31 December 2025 in accordance with Section 230(1) of the Companies Act 2016.

(11) **Agenda 8 – Directors' Benefits**

The Resolution 7, if passed, will enable the Company to pay 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 9 – 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 10 - Authority to issue shares pursuant to Companies Act 2016**

The Resolution 9, 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 38th Annual General Meeting of the Company.
- 2) The Resolution 9 tabled under Special Business as per the Notice of 38th Annual General Meeting of the Company dated 23 April 2025 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 29 May 2024.

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> Gooi Chye Soon <i>Executive Director</i> (appointed on 24.02.2025) Soon Poh Lean <i>Independent Non-Executive Director</i> Dr. Sek Weng Yew <i>Independent Non-Executive Director</i> Tang Boon Lee <i>Independent Non-Executive Director</i> Koay Chue Beng <i>Alternate Director to Koay Chiew Poh</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> Dr. Sek Weng Yew (Independent Non-Executive Director) <i>Committee Member</i> 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> Dr. Sek Weng Yew (Independent Non-Executive Director) <i>Committee Member</i> 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 Kampung 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	: 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

FINANCIAL HIGHLIGHTS

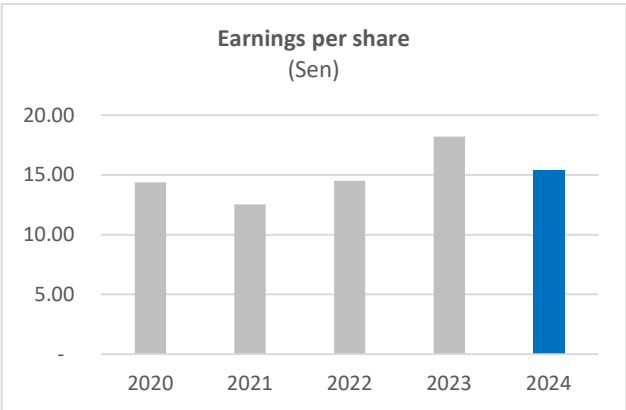
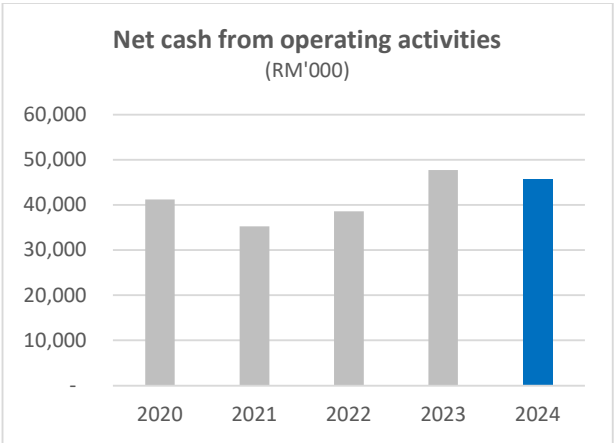
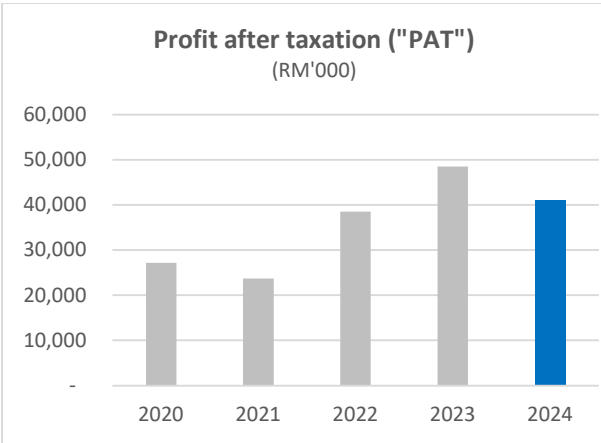
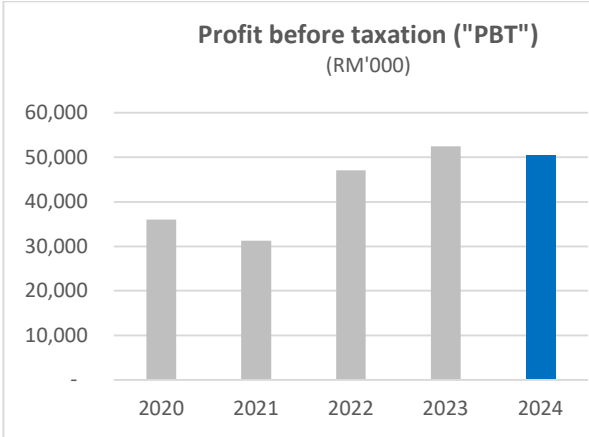
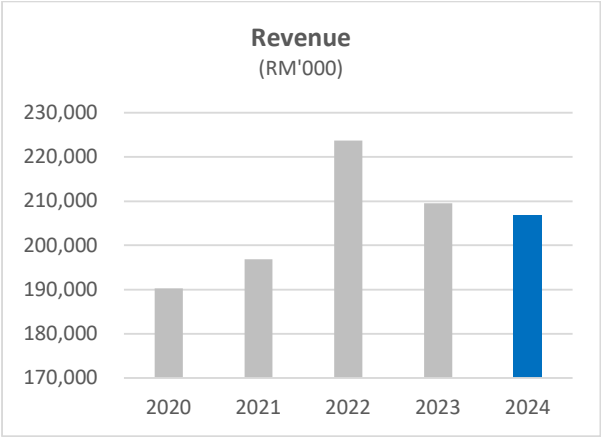
	Financial Year Ended 31 December				
	2020	2021	2022	2023	2024
Financial Performance (RM'000)					
-Revenue	190,276	196,808	223,727	209,570	206,768
-Gross profit	59,897	61,289	79,762	84,136	89,231
-Share of results of Joint Venture	7,646	2,165	1,639	4,833	1,986
-Profit before taxation ("PBT")	35,981	31,225	47,061	52,413	50,525
-Profit after taxation ("PAT")	27,123	23,672	38,488	48,488	40,973
-Profit attribute to owners of the Group	27,123	23,672	38,488	48,488	40,973
Financial Position (RM'000)					
<i>Assets</i>					
-Non-current assets	192,672	197,373	206,608	218,089	218,284
-Current assets	147,156	165,897	189,068	220,453	256,158
Total assets	339,828	363,270	395,676	438,542	474,442
<i>Liabilities and Shareholders' funds</i>					
-Paid-up share capital	94,361	94,787	133,174 ⁽¹⁾	133,558	133,794
-Shareholders funds	273,337	301,379	341,286	390,204	430,658
-Borrowings	30,252	21,434	13,696	9,042	3,291
Per Share					
-Basic (sen) ⁽²⁾	14.38	12.55	14.53	18.22	15.37
-Diluted (sen) ⁽²⁾	-	12.55	14.52	18.22	15.37
-Net assets (RM) ⁽³⁾	1.45	1.60	1.28	1.47	1.62
Cash Flow Position (RM'000)					
Net cash from operating activities	41,246	35,402	38,616	47,742	45,642
Dividend per shares (sen)	0.25	0.25	0.25	0.375	0.375
Financial Ratios					
Return on total assets (%)	7.98	6.52	9.73	11.06	8.64
Return on shareholders' funds (%)	9.92	7.85	11.28	12.43	9.51
Current ratio (times)	3.04	3.82	4.99	6.79	8.63
Gearing ratio (times)	0.11	0.07	0.04	0.02	0.01

⁽¹⁾ Bonus issuance of 75,565,703 new ordinary shares ("Bonus Shares") on the basis of two (2) Bonus Shares of every five (5) existing shares held.

⁽²⁾ Based on weighted average number of shares issued ('000)

⁽³⁾ Based on number of shares issued ('000)

FINANCIAL HIGHLIGHTS (CON'T)



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 2024.

OVERVIEW OF GROUP’S BUSINESS AND OPERATIONS

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 Lebuhraya, 10300 Penang, in the heart of the Georgetown UNESCO world heritage site.

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

- Manufacturing
- Trading
- Hotel Management
- Property Investments
- Investments

FINANCIAL AND OPERATIONAL REVIEW

REVENUE

The Group maintained a commendable performance in the financial year 2024, despite the challenging business climate caused by slower global trade, geopolitical tensions, tighter monetary policies and inflation. During the year under review, the Group recorded a revenue of RM206.8 million, representing a decline of RM2.8 million or 1.34% compared to a revenue of RM209.6 million in FYE 2023.

Manufacturing division remained as the Group’s main revenue contributor, contributing RM170.7 million to the total consolidated revenue for FYE 2024. This marked a decline of 1.67% as compared to RM173.6 million revenue contribution in the previous financial year. The decrease was mainly due to an unfavourable product mix and lower demand from customers, aligning with the slower global market conditions.

The Group’s trading division experienced a revenue decrease from RM12.2 million to RM9.3 million, marking a 23.77% dropped during the year.

Prestige Hotel contributed a total revenue of RM25.1 million for FYE 2024, representing an increase of RM2.2 million or 9.61% as compared to a revenue of RM22.9 million in FYE 2023. The improvement was primarily due to a steady rebound in room occupancies. In conjunction with the higher occupancy rate, the hotel’s food and beverage revenue also strengthened during the year under review.

PROFITABILITY

Despite lower revenue, the Group’s overall gross margin improved from 40.15% in the previous year to 43.16%. The improvement in gross margin was mainly due to continuous implementation of cost saving measures and enhancements in production efficiencies despite impairments on its old equipment.

However, the Group’s overall profitability was affected by a lower share of results from its joint ventures and a loss arising from translation in foreign currencies. As a result, the Group’s profit before taxation in FYE 2024 decreased by RM1.9 million from RM52.4 million in FYE 2023 to RM50.5 million.

Consequently, the Group’s earnings per share for FYE 2024 stood at 15.37 cents (FYE 2023: 18.22 cents).

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 RM45.6 million (FYE 2023: RM47.7 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 RM96.1 million (FYE 2023: RM84.6 million). 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 RM133.6 million to RM133.8 million through the allotment of 254,600 and 3,888 new ordinary shares pursuant to the Group's Employees' Share Grant Scheme ("ESGS") and Employee Share Option Scheme ("ESOS") respectively.

GEARING RATIO

The Group's total borrowings decreased from RM9.0 million in the previous year to RM3.3 million as of the end of FYE 2024. The decrease was mainly due to lower utilisation of trade facilities and the retirement of certain borrowings with net cash generated from operations.

As a result, our gearing ratio has reduced to 0.01 (FYE 2023: 0.02) as at FYE 2024. This also marked the continued strengthening of the net gearing ratio over past few years, thanks to the ongoing effectiveness of the Group's debt management and capital allocation strategies.

SHAREHOLDERS' EQUITY

During the financial year under review, the Group maintains a strong financial position with net assets per share of RM1.62 (FYE 2023: RM1.47).

GROUP DEVELOPMENT

Capital Expenditure Investment

During the financial year under review, the Group incurred a total capital expenditure of RM0.165 million for solar projects, aiming to reduce the Group's reliance on fossil fuel-generated electricity. With this investment, the Group's total capacity has now reached 1,535.55 kWp, as compared to previously completed and utilised capacity of 1,475.05 kWp.

In addition, the Group continued its effort to upgrade its facilities to enhance production efficiency. These upgrades are essential for keeping pace with evolving technologies and to better serve customers' needs. The Group aims to automate its existing production processes and systems, thereby reducing its reliance on manual labour. During the year under review, the Group has successfully expanded its plant to increase production capacity. Various equipment was acquired, ranging from large equipment such as corrugators and printing machines to small specified equipment.

Furthermore, the Group places strong emphasis on regular maintenance and factory upkeep. When necessary, equipment is upgraded, repaired or replaced with energy-saving alternatives to ensure sustainability and competitiveness. The Group also leverages on technology to align with the best manufacturing practices.

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

Technology Enhancement

The Group remains focused on investment in technology infrastructure. During the year under review, the Group accelerated its investment in IT software and hardware. Out-dated software and hardware 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 help with the Group's data collection processes, which in turn sharpens our marketing efforts and solves manpower shortage problems.

Fostering governance and sustainability

Sustainability risks and opportunities, addressing economic, environmental, social and governance factors, have been integrated into every aspect of the Group's business, from production and operations to supply chain partners. Details of identified sustainability matters are outlined in this Annual Report.

Strong governance within the Group also supports our commitment to delivering long-term value to shareholders. In this regard, the Group adheres to the Malaysian Code of Corporate Governance ("MCCG") and Bursa Securities' Corporate Governance Guide, which provide robust frameworks for sustainable businesses. Various policies and procedures have been established or updated to strengthen our governance practices and enhance sustainability initiatives.

Strengthening Group's human capital management

Our people are the cornerstone of the Group's success. Therefore, human capital remains as one of the Group's top priorities. Employees who embody the requisite skills, innovation and our corporate culture drive the organisation forward. As such, the Group continues to invest significantly in its people, with training, development and upskilling remaining as a key focus to upskill our workforce in various areas.

In addition, as a responsible corporate entity committed to contributing to the nation's growth, we focus on local hiring and supporting vulnerable members of our communities whenever possible to create a meaningful impact.

Strengthening the Board

On 24 February 2025, the Group appointed a new Executive Director, Mr. Gooi Chye Soon, who brings extensive experience in packaging. He was previously the General Manager of one of the Group's subsidiaries and currently holds a directorship in one of PPHB's subsidiaries. With his skills, experience and insights, he is expected to contribute positively to further strengthen the Group's ability to address future challenges and ensure its sustainability. The Group looks forward to achieving new milestones together.

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 a 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 24 February 2025, the Board declared an interim single-tier dividend of RM0.00375 per share for FYE 31 December 2024 which was paid on 17 March 2025.

MARKET REVIEW AND 2025 OUTLOOK

The Group expects 2025 to be another challenging year with competition remaining 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 prospects remain positive albeit challenging and the Group strives to achieve satisfactory performance in the year ahead.

DIRECTORS' INFORMATION

Koay Chiew Poh, a Malaysian, age 73, 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 redesignated 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 2024.

Koay Chiew Kang, a Malaysian, age 67, 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 2024.

Koay Chue Beng, a Malaysian, age 64, 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 4 Board meetings held in the financial year ended 31 December 2024.

Koay Teng Liang, a Malaysian, age 48, 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 2024.

Koay Teng Kheong, a Malaysian, age 44, 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 2024.

Nurjannah Binti Ali, a Malaysian, age 66, 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 2024.

Mr. Gooi Chye Soon, a Malaysian, age 62, was appointed to the Board on 24 February 2025 as an Executive Director. Prior to this, he was the General Manager of one of the Group’s subsidiaries. He graduated from University of Malaya, Malaysia with a Bachelor in Science (Hons). He also holds a directorship in one of PPHB’s subsidiaries, Public Packages (NT) Sdn. Bhd.

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.

Mr. Soon Poh Lean, a Malaysian, age 49, was appointed to the Board on 3 April 2023 as an INED. He is the Chairman of the Audit and Risk Management Committee and also a member of the Nominating and Remuneration Committees. He holds a Bachelor of Commerce (Accounting & Finance) from the University of Sydney and is a CFA charterholder and a fellow member of CPA Australia.

He founded Quin River Capital Sdn. Bhd. and has extensive experience in private equity, M&A, and investment banking. Previously, he held leadership roles at AHAM Asset Management, Sadella Advisory, and RHB Investment Bank overseeing operations in Hong Kong and South-East Asia. His early career was with PricewaterhouseCoopers in Kuala Lumpur and London.

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 all the 5 Board meetings held in the financial year ended 31 December 2024.

Dr. Sek Weng Yew, a Malaysian, age 48, 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 all the 5 Board meetings held in the financial year ended 31 December 2024.

Mr. Tang Boon Lee, a Malaysian, age 49, 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 4 Board meetings held in the financial year ended 31 December 2024.

KEY SENIOR MANAGEMENT

Koay Chiew Kang

Executive Director/Group Managing Director

Age : 67

Gender : Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 14 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 : 62

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 : 48

Gender : Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 14 of the Annual Report.)

Responsibilities: -

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

Koay Teng Kheong

Executive Director/Managing Director

Age : 44

Gender: Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 14 to 15 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 : 62

Gender : Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 15 of the Annual Report.).

Responsibilities: -

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

Appointment to current position: February 2025

Dave Ha Kiah Hau*General Manager*

Age : 41

Gender : Male

Nationality: Malaysian

Qualifications: -

Professional qualification from Association of Chartered Certified Accountants (ACCA)

Working experience:

- Over 18 years’ experience in the packaging industry.
- Joined the Business Development division before being promoted to the current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of PPNT.

Appointment to current position: 1st Jan 2024**Loo Weng Keen***General Manger/Director*

Age : 55

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 to his 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 : 58

Gender : Male

Nationality : Malaysian

Qualifications: -

- Sijil Pelajaran Malaysia (“SPM”)

Lau Chee Pong (con't)

Working experience: -

- More than 33 years' experience in the packaging industry.
- Was working in a publishing company prior to joining the Group.
- Joined the offset printing division of the Group in 1987 and advanced in the division prior to his 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 : 50

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 to 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 to his promotion to current position.

Responsibilities: -

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

Appointment to current position: May 2008

Ooi Hun Keong

General Manager

Age : 48

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 led the pre-opening of Prestige Hotel.

Responsibilities: -

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

Appointment to current position: August 2018

Sonny Cheah Soo Chuan

Marketing Director

Age : 46

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 to his 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 : 44

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 to his 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

Chiang Pei Se

General Manager, Corporate

Age : 48

Gender : Female

Nationality : Malaysian

Qualifications: -

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

Working experience: -

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

Chiang Pei Se (con't)

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 as 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, if any), 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 consistently integrates various sustainability approaches into the Group's business strategies and operations to maximise long-term value creation for our stakeholders. This statement focuses on the Group's economic, social and governance ("ESG") performance, ensuring that our business is carried out in a sustainable and responsible manner.

Aligned with ESG principles, the Group continues to engage all stakeholders in its daily operations, minimise environmental impact of its activities, and improve the social and economic conditions in which it operates. We believe that positive impact can be driven across our value chain by embedding sustainable practices into our operations, as well as offering products and solutions that enhance our customers' sustainability performance.

This statement is prepared in accordance to 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 2024 to 31 December 2024.

Limitation

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

We have restated certain data from 2023 onwards due to improvements in data collection.

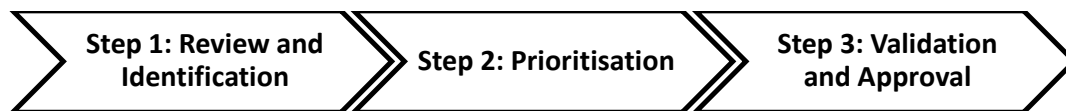
Assurance statement

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 our 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



Step 1: Review and identification of material issues

1. Identified PPHB's key internal and external stakeholders.
2. Identified material matters based on the following: -
 - a. Key risks and opportunities on material matters were identified based on various internal and external sources, including but not limited to: -
 - Internally generated data, management reports and risk management reports;
 - Input from management and employees;
 - Stakeholders' issues and concerns;
 - Review of issues and trends reported by industry sources including peers, customers and suppliers; and
 - Government policies.
 - b. Matters raised during AGM.
 - c. Sustainability reporting standards and guides (e.g. recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad).

Step 2: Prioritisation of material issues

3. Deployed an online Materiality Assessment Survey to gather inputs from the Group's internal and external stakeholders on the importance of each material matter.
4. Inputs from the online survey were consolidated and ranked using a scoring methodology to weigh and prioritise feedback from various stakeholders.
5. Developed the preliminary Materiality Matrix.

Step 3: Validation and approval by the Board

6. Presented the final Materiality Matrix to the Board for validation.
7. Obtained approval from the Board for the Materiality Matrix.

This materiality assessment process is guided by the Bursa Malaysia Sustainability Guide and Toolkit (3rd Edition).

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	- Provide a safe and healthy workplace with good welfare programs and equal employment opportunities. - Foster harmonious, non-discriminatory and conducive working environment. - Offer opportunities for personal development. - 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	- Establish clear communication channels to provide reliable and up-to-date disclosures on material information related to the Group, fostering positive shareholder relations.
Customers	- Customer satisfaction and pricing - Product design and quality - On time delivery - Business ethics	- Customers' feedback forms - Regular communication with customers - To offer innovative product design and development - In house product quality inspection - Monitoring production schedule via daily meetings	- Enhance customer loyalty and build long-term, sustainable relationships. - Provide better quality and reliable products at affordable prices.
Supplier	- Cost efficiencies - Quality products - Maintaining long-term partnerships - Business ethics	- Fair and transparent procurement process - Inventory/supply commitment - Delivery - Timing response and payments.	- Build lasting relationships with suppliers.

Stakeholder	Area of concern	Type of engagement	Our goal
Government	- Regulatory compliance - Transparency	- Participation in programs organised by government bodies - Compliance with applicable laws and regulations - Meetings with regulators	- Comply with all applicable rules and regulations. - Avoid fines and penalties. - Contribute to nation-building.
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	- Give back to the community and provide positive social value.

Group’s Sustainability-related Risks and Opportunities

Theme	Material Matters	Risks	Opportunities
Governance and Economic Matters	Economic Performance - Profitability and financial performance are of utmost priority, being the critical factors that sustain our operations and enable us to fulfill our commitments to our stakeholders. - Drive the Group’s value, branding and market positioning.	- Disruption to the business due to changing market sentiment, such as inflation, minimum wages policies, updates on labour laws, labour shortage, fluctuation in foreign currencies and etc. - Competition from other players in terms of price and quality. - Poor sales and low profits may lead to loss of reputation and trust from stakeholders, particularly investors. This could result in reduced market share, lower employee morale and higher turnover rates, operational delays and increased costs.	- Innovate and develop strategies that enhance efficiencies and manage costs effectively by fostering a culture of continuous improvement to optimise resources and processes within the organisation. This includes activities such as negotiating with suppliers and sub-contractors, actively sourcing for alternative suppliers or materials, improving employee skills, and performance monitoring to enhance productivity and minimise unnecessary expenses. - Diversification into businesses that can help the Group to mitigate competitive challenges by spreading risks and leveraging opportunities across various industries. - Investment in technology across the Group’s operations, focusing on enhancing customer experience, increasing efficiencies, and adapting to thrive in an increasingly digital environment.

Theme	Material Matters	Risks	Opportunities
Governance and Economic Matters (Con't)	Corporate Governance; Ethical Business Conducts; and Risk Management - Good corporate governance practices and high standards of ethical business conduct foster trust and credibility, which ultimately contribute to the Group's sustainability and long term value creation.	- Weak governance practices expose the Group to unethical business conduct, which may significantly damage its reputation, erode stakeholders' trust and lead to financial losses. - Non-compliance with laws and regulations can result in fines, sanctions and legal penalties.	- Establish clear and robust corporate governance policies and ethical guidelines helps to ensure consistent and transparent business conduct while fostering accountability and trust. - Regular review and update on the Group's risk management framework can help to identify, assess and mitigate potential risks and improve operational resilience and decision making process. - Proactively addressing ethical issues such as corruption, anti-competition behavior, and fair procurement practices within Group's operations and supply chain helps ensure business integrity.
	Regulatory Compliance	- Unintentional non-compliance may result in additional costs (e.g. fines, penalties) being incurred, which may in turn lead to reputational loss and potential loss of investors.	- Implement robust internal controls and monitoring systems, such as ISO standards, to ensure compliance. - Stay abreast with the latest changes through active engagement with authorities and professionals. - Contribute towards nation-building.
	Procurement Practices - Suppliers, subcontractors and business partners are the backbone of ensuring timely and efficient delivery of goods and services, directly contributing to revenue generation, while supporting ethical and sustainable business operations.	- Operational disruption. - Higher costs due to delays in goods deliveries. - Inability to meet customer expectations, leading to loss of business opportunities. - Loss of competitive advantage. - Poor assessment and due diligence may result in engagement of suppliers who are non-compliant towards ESG standards.	- Ensure efficient resource management to avoid supply chain disruptions. - Focus on environmentally sound supplies. - Maintain active engagement with suppliers, subcontractors and business partners to address ESG risks and expand opportunities. - Conduct yearly evaluation on existing suppliers', subcontractors' and business partners' performance in areas such as service delivery, workmanship, product quality of products and price competitiveness. - Establish fair and transparent procurement procedures.

Theme	Material Matters	Risks	Opportunities
Governance and Economic Matters (Con't)	Customer Engagement - Production of quality goods and services that meet customers' requirement.	- Failure to meet customers' expectation, which can erode their confidence and lead to loss of business opportunities and market share. - Loss of competitive advantage. - Potential compensation to or legal suits initiated by customers for delay in delivery of goods and services.	- Regular customer engagement and adopt practices such as demonstrating transparency in business practices, maintaining ethical conducts, respecting data privacy and customer rights, and offering eco-friendly goods and services. This allows for continuous improvements that align with customers' ESG expectations. - Offer product differentiation through innovation, quality and value-added features. - Improvement in product quality by investing in new technologies.
	Innovation and Technology; and Data Privacy	- Disruption to operational capability due to the failure or breakdown of critical ICT systems. - Financial impact caused by leaking of confidential information of the Group.	- Adopt efficient storage solutions and maintain resilient IT security systems to counter cyber threats and safeguard data privacy. - Yearly audit by external auditor to ensure effective implementation and compliance.
Environment Matters	Energy Management Management of energy consumption throughout the Group's operations to ensure efficient use and reduce environmental impact.	- Poor energy management that relies on fossil fuels contributes to carbon emissions, climate change, and environmental degradation, potentially harming the Group's reputation.	- Invest in energy-efficient systems, such as LED lighting, energy-efficient HVAC systems and electric-powered forklifts, which can significantly reduce energy consumption, lower operational costs and enhance overall sustainability. - Installation of solar PV systems (renewable energy sources) can reduce reliance on fossil fuels, lower carbon emissions, and stabilize long-term energy costs. - Take advantage of government incentives, grants, and tax credits for businesses that invest in energy-efficient technologies or renewable energy projects, which can help offset initial investment costs and improve the ROI of energy management efforts.

Theme	Material Matters	Risks	Opportunities
Environment Matters (Con't)	Water Management	- Threats on water scarcity and quality. - Depletion of water resources could disrupt production.	- Identify alternative water sources and develop plan for harvesting water for consumption. - Invest in water treatment plants. - Monitor monthly water consumption.
	Pollution Control - Waste management - Noise reduction - Air quality management	- Rising operational costs associated with landfill waste disposal. - Financial penalties or legal actions due to non-compliance with environmental regulations. - Health hazards and regulatory fines due to pollutions emissions.	- Monitor effluents and noise pollution at relevant sites. - Implement initiatives to divert and recover waste through effective effluent and waste management systems, protecting public health and reducing operational impact. - Reduce air pollution by adopting cleaner technologies and transitioning to renewable energy sources. - Promote sustainability by addressing any potential leaks and minimising foreseeable environment harm.
	Climate Management	- Natural disasters or climate related events may impact the Group's ability to operate sustainably.	- By placing a strong emphasis on environmentally and socially responsible practices, the Group not only contributes to a better world but also strategically positions itself for long term growth, market relevance and resilience in an increasingly conscious marketplace.
	Biodiversity & Conservation - Protecting our biodiversity and natural ecosystems by minimising the ecological impact of our business operations.	- Depletion of biodiversity and ecosystem collapse due to environmental destruction and unsustainable business practices.	- Offer and market sustainable products and services (e.g. FSC-certified products) that minimise negative impacts on biodiversity. - Implement strategies and measures to manage business operations sustainably, reduce impact on natural habitats and preventing biodiversity loss.
Social Matters	Human Rights & Fair Labour Practices - Fostering a positive work environment. - Diversity - Disable persons	- Violation of human rights practices may result in regulatory penalties, lower employee retention rate, poor corporate culture, and reputational damage.	- Development of human rights practices that position the Group as a responsible employer committed to protecting, promoting and respecting human rights across its operations.

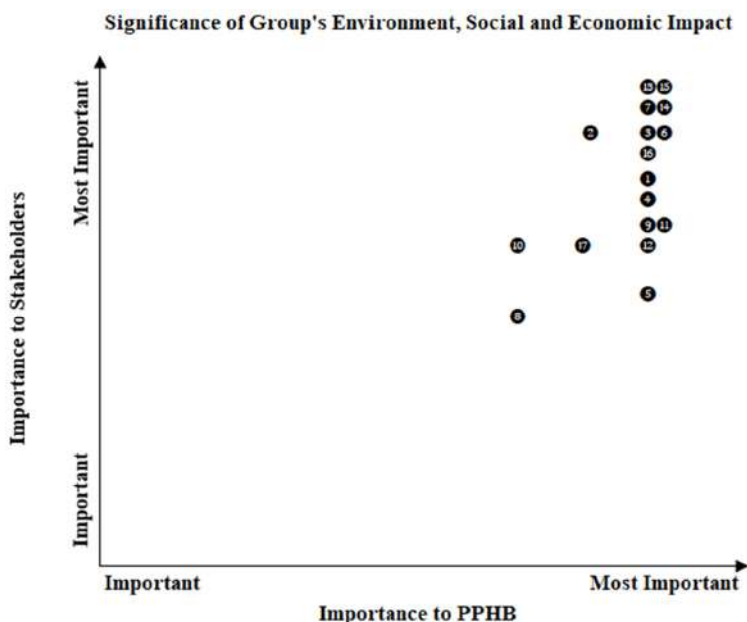
Theme	Material Matters	Risks	Opportunities
Social Matters (Con't)		- Discriminatory employment practices based on race, religion, gender, age, disability and nationality may have a detrimental impact on the Group's reputation.	- Cultivate a fair, inclusive and non-discriminatory work environment. - Establishment of a whistle-blowing channel to address work-related issues.
	Human Capital Management	- Inadequate benefits and remuneration negatively impact employee motivation. Unsatisfied employees may lead to high turnover, poor work quality and increased costs due to delays, reduced product and service quality, fines, compensation claims etc.	- Regular review on employee benefits to ensure that they are in line with market offerings. This includes attractive benefits, competitive remuneration, and career development and progression opportunities. Such packages will enable the Group to retain and attract top-tier talent, thereby fostering long term success. - Obtain feedback from employees. - Prioritise employees' work-life balance.
	Occupational Safety and Health ("OSH") - Ensuring provision of a healthy and safe work environment for employees, contractors, and vendors to optimise productivity.	- Poor OHS can lead to injuries and diseases, resulting in high operating costs related to compensation, work delays, penalties and reputational damage among stakeholders, loss of business opportunities and reduced sales. - Significant fines and/or imprisonment due to violations of applicable laws and regulations.	- Establishment of an OSH Policy that applies to all stakeholders within our manufacturing facilities. - Develop proactive measures to prevent accidents, minimise risks and raise awareness. - Create an emergency response plan and regularly conduct drills to ensure a swift and effective response in case of incidents. - Conduct audits and inspections periodically to ensure effective implementation and compliance.
	Talent Management - Empowering employees through provision of training and education to advance their skills and competencies, as well as to support their career development.	- Poor management of employees' learning and growth inhibits the development of their skills and knowledge, which can affect work quality and performance. This may lead to delays, repairs and remediation, ultimately increasing the Group's operational costs.	- Provision of technical skills-based trainings, leadership development workshop/seminars, and certifications for continuous education. - High skilled and talented employees can drive business growth through improvements in production, expansion into new markets and the development of new products.

Theme	Material Matters	Risks	Opportunities
Social Matters (Con't)	Community Development Managing the sustainability impacts of the Group's operations on surrounding communities where it operates, and upholding its role as a responsible member of society.	Failing to maintain engaged communities or foster good relationships with surrounding communities and the general public can make the Group appear uninterested, leading to potential loss, boycotts, and loss of customers and future employees.	Stay engaged with the community through financial and/or non-financial assistance, such as donations, scholarships, internships, supply of job opportunities and being a good neighbour.

Material Sustainability-related Matters

This materiality matrix serves as the cornerstone of our sustainability reporting. The team ensures the accuracy and completeness of our assessment through internal cross-functions reviews and on-going stakeholder feedback. The assessment will be conducted every three (3) years to ensure that our sustainability approaches remain robust and relevant, in alignment with our business strategies and sustainability landscape.

Based on the assessment, the team identified, prioritised and validated the sustainability-related matters that have the greatest impact on the Group's economic, environmental and social performance. Data and information regarding these material matters are illustrated as follows: -



Governance and 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		

Sustainability-related Risks and Opportunities Management

1. Governance and 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 (collectively referred to as "the Practices"). The Practices outline the principles on our 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 we adopt a zero-tolerance approach to all forms of bribery and corruption.

All new on-boarding employees will be briefed on the Policies as part of the 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 the ABC policy	FYE 2022	FYE 2023	FYE 2024
No. of staff disciplined or dismissed due to non-compliance with the ABC policy	Nil	Nil	Nil
Fines, penalties or settlements from regulatory authorities in relation to corruption (RM)	Nil	Nil	Nil
Total employees briefed/trained	18	22	234

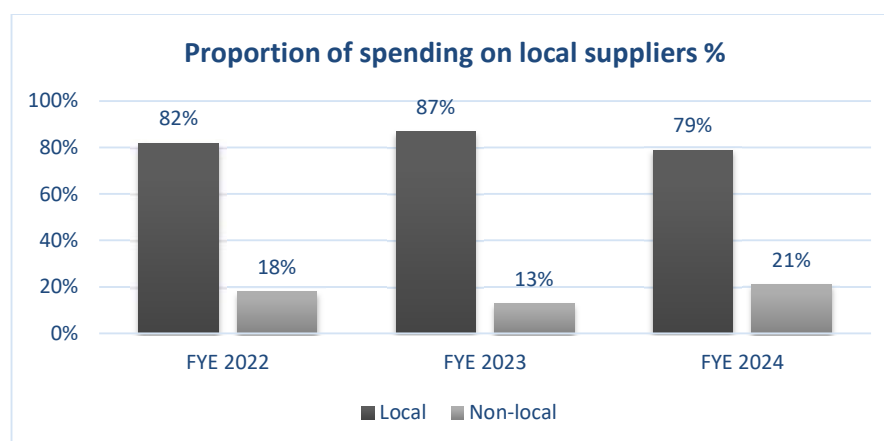
A whistle-blowing channel has also been established for Directors, employees and associated persons to report any improper conducts. Improper conducts may include fraud, crime, misuse of confidential information etc. The whistle-blower will be accorded with protection of confidentiality of identity, unless otherwise required by the law. In FYE 2024, no whistleblowing report was received by the Group (FYE 2023: 1 report).

Procurement Practices

The Group is committed to enhancing its procurement process and engaging with its suppliers to identify and manage risks, as well as opportunities for improvement in productivity and efficiency. These efforts are guided by the core values of integrity and transparency. To ensure a smooth and efficient supply chain, the Group conducts regular supplier performance evaluations.

To maintain robust internal controls and compliance within the supply chain, the Group has established a multi-level approval process. For instance, new supplier registrations are required to undergo a rigorous supplier selection process, and financial transactions are subject to a three-tier approval system involving the creators, checker and approver. This structured approach serves as a check-and-balance system, ensuring integrity and transparency in all commercial decisions. It also enables the Group to promptly identify and mitigate potential risks, including corruption.

The Group prioritises local procurement 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 the Group operates. This approach is considered fundamental to the Group's business, spanning from raw material procurement to final product delivery. Our procurement performance is as follows: -



The table above demonstrated the Group's strong commitment to sourcing locally, with local suppliers accounting for a significant percentage of the total procurement amount in all financial years under review.

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 and we view this 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").

The Group conducts regular audits and training sessions on ISO 9001:2015 to ensure compliance with established standards and processes. These audits assess the effectiveness of quality control measures, driving continuous improvement in product and service quality, customer satisfaction and overall organizational efficiency.

In addition, the Group's dedicated in-house quality assurance department ensures rigorous testing of quality of each product. This guarantees that all products consistently meet both internal standards and external requirements.

2) *Product Innovation*

The Group prioritises continuous innovation and product enhancement to ensure our products remain aligned with the diverse needs of existing and potential customers. To keep pace with market demands, we provide a wide range of innovative design solutions tailored to our customers' diverse product requirements. In addition to design solutions, we consistently upgrade our manufacturing processes by investing in various updated machines. This enhances our production capabilities and ensure that we meet the evolving expectations of our customers.

3) *Data privacy and security*

In relation to Group's data privacy and safety, robust measures are in place to safeguard proprietary information belonging to the Group and its customers. Non-disclosure agreements have been signed and are reviewed annually by the Group's Head of Internal Audit to ensure compliance and effectiveness. In addition, all customer data and information are handled responsibly, reflecting the Group's commitment to ethical business practices.

To further protect customer privacy, we implement robust security measures. Data is stored on secure company servers with strict access controls and firewall protection to prevent unauthorised access. The Group also complies with international data protection regulations and the Personal Data Protection Act ("PDPA"), ensuring the highest standards of data privacy.

In FYE 2024, there were no reports on breaches of customer privacy and loss of customer data (FYE 2023: 0).

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 certification 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.

Climate Management

In line with the Bursa Securities' circular dated 23 December 2024 and the National Sustainability Reporting Framework ("NSRF"), the Group will align and reassess its efforts in disclosing our climate-related initiatives in accordance with the IFRS S1 *General Requirements for Sustainability-related Disclosure* and IFRS S2 *Climate-related Disclosures*. The Group acknowledges the urgency of addressing climate change and is committed to further understand its role in contributing to this goal. In addition, the Group will explore ways to mitigate the impact of climate change on its operations and value chain.

Implementation of the NSRF will be through a phased and developmental approach, based on the following timeline:-



In alignment with the NSRF timeline, the Group has outlined its roadmap for adopting IFRS S1 and S2 on emissions reporting, effective from FYE 2026. Full adoption of IFRS S1 and S2, including Scope 3 emissions reporting, will be achieved by FYE 2028.

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 three (3) financial years is as follows: -

	FYE 2022	FYE 2023	FYE 2024
Paper waste weight (KG)	503,183	392,654	452,755
PU (KG)	4,286	2,833	5,479
PE (KG)	26,395	19,071	35,532
Plastic (KG)	555	558	1,199
Total	534,419	415,116	494,965

2) Scheduled waste

In the course of production, the Group generates ink waste and other wastes with hazardous characteristics, classified as scheduled wastes under the Environmental Quality (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 generated waste is stored in plastic drums, jumbo bags, pallets or other suitable containers. These containers are labelled with the Company's name, address and telephone number, along with additional information such as waste characteristics, waste code, waste name and the date of waste generation. The containers are stored at secured scheduled waste stores within the factories before disposal.

The Group engages reputable and licensed waste collectors to handle the waste. Accurate and up-to-date information on inventory, generation, treatment and disposal of scheduled waste are maintained and submitted online to the Department of Environment.

The total scheduled waste generated in the past three (3) financial years is as follows: -

Scheduled Waste (KG)	FYE 2022	FYE 2023	FYE 2024
SW 109	-	108	-
SW 110	360	392	-
SW 305	1,350	2,002	600
SW 409	3,807	2,540	4,650
SW 410	3,886	2,051	1,390
SW 416	12,105	18,738	59,640
SW 417	4,217	9,667	2,150
SW 418	3,014	3,864	7,760
SW 422	253	-	-

These figures highlight the Group's commitment to sustainable waste management practices and its 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 inverters at high amp machinery and equipment;
- Replaced conventional lights with energy-efficient LED lights;
- Upgraded small fans to larger, more efficient fans;
- Conducted regular maintenance on machinery and equipment; and
- Turned off lights and air conditioners during lunch hours.

A total of seven (7) factories (2023: 6) within the Group are equipped with solar panels, with a total installed capacity of **1,535.55 kWp** (2023: 1,475.05 kWp). This investment is aimed at reducing our Group's carbon footprints. Total electricity consumption in the past three (3) financial years is as follows: -

	FYE 2022	FYE 2023	FYE 2024
Total electricity consumption (MWh)	4,223	3,751	3,383
Renewable Solar energy generated (MWh)	-	1,382	1,947

Based on the table above, the Group has achieved a remarkable reduction of approximately 9.8% in total electricity during the reporting period. The efficiency of energy consumption is monitored on a monthly basis to ensure continuous improvements.

In addition to the installation of solar panels, the Group continued to replace its diesel forklifts with electric forklifts on its production floor. The electric forklifts help to reduce carbon emissions, as they are powered by renewable energy. We are committed to continue with this transition.

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 three (3) financial years: -

	FYE 2022	FYE 2023	FYE 2024
Water consumption (m³)	51,735	40,987	36,634
Water treated (m³)	2,842	3,796	5,389

As set out in the table above, there was a significant 10.6% reduction in total water consumption in FYE 2024. 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 recycling.

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 **8** (2023: 12) suppliers with FSC certification.

3. Social

Human Capital Management

The Group values our workforce as our most valuable asset. 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 **828** (2023: 845) full time employees. The employees are guided by the Employee Handbook and Code of Ethics and Conduct.

Fair remuneration packages

The Group has implemented a fair and substantial employee remuneration policy that is linked to individual contributions and performance. Employee performance assessments are conducted annually, and promotions or remuneration increments are based on merit, without discrimination based on gender, race or nationality. This practice is crucial to ensure that the Group remains competitive in attracting, motivating and retaining talent, which is essential to the Group's sustained growth. Employees' contributions are measured against their respective key performance indicators ("KPIs"), with top performers receiving attractive cash rewards.

The Group continues to reward employees who go beyond their job scope to deliver exceptional results. These rewards include performance-based incentives and participation in the Employee Share Scheme. Salary reductions or retrenchments have never been considered, regardless of the challenging conditions the Group may face.

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 our 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		FYE 2024	
	Number	%	Number	%	Number	%
Employees by Gender						
- Male	559	67.0%	587	69.5%	559	67.5%
- Female	275	33.0%	258	30.5%	269	32.5%
Total	834		845		828	
Employees by Ethnicity						
Local						
- Malay	280	33.6%	262	31.0%	275	33.2%
- Chinese	173	20.7%	166	19.6%	170	20.5%
- Indian	121	14.5%	114	13.5%	108	13.1%
Non-local	260	31.2%	303	35.9%	275	33.2%
Total	834		845		828	
Employees by Age						
< 30 years old	299	35.9%	307	36.3%	281	33.9%
30-49 years old	378	45.3%	370	43.8%	388	46.9%
>50 years old	157	18.8%	168	19.9%	159	19.2%
Total	834		845		828	
Employees by Category						
Management	31	3.7%	31	3.7%	28	3.4%
Executive	195	23.4%	192	22.7%	207	25.0%
Non-executive	608	72.9%	622	73.6%	593	71.6%
Total	834		845		828	

Among the employees of the Group, a total of **21** (2023: 20) are disabled persons. During the reporting period, the Group has employed an additional **98** (2023: 144) new employees and **115** (2023: 136) employees have resigned.

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 the same privileges as local employees, including public holidays, salary scales and benefits. In addition, they are provided with workers 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 enhance the protection and welfare of employees and ensure that labour law provisions align with the international labour standards. The Act addresses working hours, leave management and flexible working arrangements. In addition, we comply with the Minimum Wages Order 2024, which establishes the minimum monthly wage applicable to all employees.

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.

Training and development opportunities

The Group has put a great emphasis on ongoing training and upskilling of the workforce, aiming to provide our employees with a greater understanding of their respective role and responsibilities, and to enhance their overall performance. In-house trainings covering various areas are frequently organised to increase the competency of employees. 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 three (3) financial years: -

	FYE 2022	FYE 2023	FYE 2024
Number of participants	163	123	610
Total hours	672	306	5,092

Occupational Safety and Health (“OSH”)

The safety and health of our employees remain a top priority. The Group is committed to providing a safe and healthy working environment for all employees, ensuring strict compliance with relevant safety and health laws and regulations.

To minimise workplace incidents, the Group has implemented the following strategies: -

- Conducting hazard identification, risk assessments and risk controls at workplace;
- Providing handling manuals at workplaces;
- Implementing safety measures, including installation of safety signboards and warning signs;
- Promoting the 1S + 5S methodology (Safety, Sort, Set, Shine, Standardise and Sustain);
- Conducting safety and health education and trainings programs, such as fire drills and evacuations exercises;
- Supplying appropriate personal protective equipment (“PPE”), including safety helmets, shoes, ear protection and face masks;
- Ensuring the functionality of fire preventive equipment and systems; and
- Conducting regular machine inspections.

At our corrugating plant, a dust collecting system has been installed to collect and dispose of dust. The system filters exhaust air before releasing it into the atmosphere, ensuring compliance with the environmental regulations. In addition, this system helps maintain a safe and clean working environment for all employees.

Our goal is to achieve an injury-free workplace with zero accidents. To meet this target, the Group conducts safety training programs to ensure that our employees understand their roles and responsibilities in preventing workplace injury, with a focus on emergency preparedness, response and recovery. During the reporting period, the following training programs were conducted: -

- Occupational Safety and Health Coordinator;
- Ergonomics;
- Noise Exposure;
- Basic First Aid and Cardiopulmonary Resuscitation (“CPR”);
- Basis Fire Safety Organisation (“FSO”) Course; and
- Internal Emergency Response Team (“ERT”) training.

The table below summarises the total training hours on OSH and total incidents recorded in the past three (3) financial years:-

	FYE 2022	FYE 2023	FYE 2024
No. of safety training/programme	3	1	156
Total training hours (hours)	63	7	1,697
Total staff trained	79	3	461
No. of fatality	-	-	-
No. of number of hours worked	-	-	-
Lost time incident rate (“LTIR”)	-	-	0.97

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

Beyond providing a safe and healthy working environment, the Group strived to foster a positive and supportive work environment aimed at enhancing the overall well-being of our employees. Initiatives include:

- Arranging annual health screenings for selected employees;
- Providing vegetarian lunch boxes to selected operations to promote healthy eating habits;
- Monitoring working hours and overtime in compliance with the Employment Act 1955 to reduce the risk of occupational injuries; and
- Offering a range of paid leave options, including:
 - Statutory sick pay leave;
 - Up to 60 days of hospitalization leave;
 - Paid leave for study, marriage, compassionate reasons, and maternity leave up to 98 days; and
 - Unpaid leave.

Community and society's well-being

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

- a) The Group continues its support to a wide range of charities. During the year, donations amounting to **RM240,000** (2023: RM120,000) were made to charitable organisations, including the Buddhist Tzu Chi Merit Society Malaysia.
- b) The Group sponsors the full tuition fees for Malaysian students pursuing diploma and bachelor degree studies at local institutions of higher learning. As at to-date, a total of **7** (2023: 5) students have been awarded scholarships under the Group's program.
- c) 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 **3** (2023: 6) 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. The ongoing efforts aim to create and preserve sustainable and long-term value for the Group's stakeholders.

Disclosure of common sustainability matters

BURSA MALAYSIA SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	-
Executive	Percentage	25.1%
Non-executive	Percentage	29.5%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	234,517
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	10
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
<i>Age Group by Employee Category</i>		
Management Under 30	Percentage	-
Management Between 30-50	Percentage	1.3%
Management Above 50	Percentage	2.1%
Executive Under 30	Percentage	6.3%
Executive Between 30-50	Percentage	15.1%
Executive Above 50	Percentage	3.6%
Non-executive Under 30	Percentage	27.7%
Non-executive Between 30-50	Percentage	30.4%
Non-executive Above 50	Percentage	13.5%
<i>Gender Group by Employee Category</i>		
Management Male	Percentage	2.4%
Management Female	Percentage	1.0%
Executive Male	Percentage	11.7%
Executive Female	Percentage	13.3%
Non-executive Male	Percentage	53.3%
Non-executive Female	Percentage	18.3%
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	90.0%
Female	Percentage	10.0%
Under 30	Percentage	-
Between 30-50	Percentage	50.0%
Above 50	Percentage	50.0%
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt-hour	3,383
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	-
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.97
Bursa C5(c) Number of employees trained on health and safety standards	Number	461

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	135
Executive	Hours	2,097
Non-executive	Hours	2,860
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Executive	Number	25
Non-executive	Number	87
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.5%
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	36.6
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	571.2
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	571.2
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	N/A
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	N/A

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 our shareholders, potential investors and stakeholders.

The full CG Report 2024 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. The Board's role is to lead and control the Group's business and affairs on behalf of shareholders, taking into consideration the interests of all stakeholders in its decision making and ensuring that 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 Group's strategies and business plans 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 as well as 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 below: -

- a. Developing a recruitment and communication strategy;
- b. Determining critical positions and identifying expected vacancies;
- c. Identifying current and future competencies;
- d. Identifying gaps in current employees' competency levels;
- e. Developing individual development plans for employees;
- f. Developing and implementing coaching and mentoring programmes; and
- g. 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 Directors. 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 Group Managing Director is supported by five (5) Executive Directors in the day-to-day management of the Group. All Executive Directors form part of the Senior Management team and have an overall responsibility over the Group's 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 plans in action.

Independent Non-Executive Directors (“INEDs”)

The INEDs 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 interests of the Group, its shareholders and stakeholders, as well as the communities in which the Group conducts its business, in providing their unbiased and impartial views, advice and judgement. It is also their responsibility to ensure that all financial information announced are accurate and that the Group’s 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 which compositions and Terms of Reference are in accordance with the MMLR and best practices prescribed by MCCG. The Board Committees are as follows: -

- 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 Annual Report and financial statements, as well as the relevant announcements;
- 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 impact on the system of internal controls; or significantly exposes the Company and the Group to financial and/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 and managing sustainability matters, the Board is supported by the Group Managing Director and assisted by Senior Management. 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 then be 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 Group. The results of the assessment are approved and endorsed by the Board. The 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 related 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 closed periods to the Directors, notifying them of the closed periods for trading of shares pursuant to the MMLR;
- b. Attended all Board meetings and ensured the 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 has 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 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 that, the policy is also in place to ensure that all relevant persons are aware of their obligation to disclose any corruptions, briberies, conflicts of interest or similar unethical acts that they may encounter, and to follow the highest standards of ethical conduct of business.

The policy should be 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 etc. The Group will treat all information received confidentially and will protect the identity and interest of all whistle-blowers. There have been no reported incidents pertaining to whistle-blowing during the year.

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.

Audit and Tax Policy

Audit Policy

PPHB is in compliance with the professional standards set by the Malaysian Institute of Accountants, which require the rotation of lead partner and quality control partner involved in external audits every seven (7) years. A cooling-off period of five (5) years must be observed before either partner can be reappointed.

In addition to the partner rotation requirement, the following policy applies to the appointment of former employees of the external auditor (including key audit partners and former employees of the firm) to the Board or ARMC: -

- a) *Key Audit Partners*
Key audit partners will not be offered employment or appointed as a member of the ARMC by the Group within three (3) years of undertaking any role in the audit.
- b) *Other Key Team Members*
Other key team members will not be offered employment or be appointed as a member of the ARMC by the Group within six (6) months of undertaking of any role in the audit.
- c) *Other Audit Team Members*
Any other audit team members (excluding key audit partners or key audit team members) who accept employment or are appointed as a member of the ARMC by the Group must immediately cease the audit activities and tender their resignation to the audit firm.
- d) *Senior Management or ARMC appointment*
Any offer of employment to a former employee of the audit firm for a senior management position, or any appointment of the former employee to the ARMC, must be pre-approved by the ARMC. Between meetings, the ARMC Chairman is authorised to approve such appointments at their discretion, with any interim approval subject to ratification at the next ARMC meeting.

Tax Policy

On 24 February 2025, the Group established a comprehensive Tax Policy that outlines clear guidelines for our tax practices, ensuring accurate and compliant reporting in accordance with relevant laws and regulations. The Board, with support from the ARMC, ensures strict adherence to this policy, reflecting the Group’s commitment to ethical and transparent tax governance.

Recognising the importance of tax contributions to public finances and national development programs across its jurisdictions, the Group conducts its tax affairs without engaging in tax structures that lack commercial substance for avoidance purposes. In addition, all tax payments are aligned with the revenue generated within respective jurisdictions, in compliance with applicable laws. The Group also ensures that its transfer pricing policy is based on the arm’s-length principle to ensure taxes are paid in the appropriate jurisdiction and/or business line.

Risks associated with tax matters are managed diligently, with professional advice sought from competent local third-party advisors when necessary to address uncertainties in the interpretation of tax laws.

2. BOARD COMPOSITION

Composition and Size of the Board

The Board comprises five (5) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, 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 nine (9) years in accordance to Malaysian Code on Corporate Governance (“MCCG”) 2021 and in compliance with Part 1(h) of 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 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.

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 2024, as set out below: -

Meeting attendance	Board	ARMC	NC	RC	AGM
Koay Chiew Poh	5/5	-	1/1	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	5/5	5/5	1/1	1/1	1/1
Sek Weng Yew	5/5	5/5	1/1	1/1	1/1
Tang Boon Lee	4/5	4/5	1/1	1/1	0/1

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.

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 based on the candidates’ competency, skills, character, time commitment, knowledge, experience and other qualities required to meet the needs of the Group, regardless of gender.

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

Nominating Committee (“NC”)

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

Mr. Koay Chiew Poh- Chairman, Non-Independent Non-Executive Director

Mr. Soon Poh Lean- Member, Independent Non-Executive Director

Dr. Sek Weng Yew- Member, Independent Non-Executive Director

Mr. 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, one (1) meeting was 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 NC's Term and Reference and the 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 to 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 Directors; and
- vii. Evaluated and determined training needs of the Directors.

Appointment of new director

On 24 February 2025, the NC conducted the appointment process for a new Executive Director, Mr. Gooi Chye Soon, as part of Group's succession planning program. Mr. Gooi was previously the General Manager of one of the Group's subsidiaries. He holds a Bachelor in Science (Hons) from the University of Malaya, Malaysia, and currently serves as a director in one of PPHB's subsidiaries.

The NC had adhered to a formal and transparent procedure during the appointment process, guided by the Group's Fit and Proper Policy. His profile was presented to the Board for final approval.

In accordance to the Company Constitution, he will stand for election at the next AGM. In addition, he is required to complete the Mandatory Accreditation Programme ("MAP") as prescribed by the Bursa Malaysia Securities Berhad.

Board Evaluation and Board Independence

On 24 February 2025, 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 assessments were 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 Joint Company Secretaries. 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 Kang;
- ii. Nurjannah Binti Ali; and
- iii. Tang Boon Lee.

Continuing Professional Development of Directors

All Directors have completed the MAP prescribed by the Bursa Malaysia Securities Berhad. Additionally, the Directors have attended relevant trainings and seminars to enhance their skills and knowledge and to 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	- EQ Mindfulness: Stress Reductions for Working Professionals
Koay Chiew Kang	- TTCS Virtual Tax Conference 2024 (Free Event) - FMM Penang Webinar: Government Grants & Incentive in Malaysia - Webinar: Navigating the Latest E-Invoicing Directives and Tax Regulations - NBS Knowledge Lab: Navigating the Green Wave – The role of Accounting in Sustainability Management - Webinar: Digital Certificates for E-invoice - Emotional Intelligence

Director	Seminars/ Training attended
Koay Teng Liang	- EQ Mindfulness: Stress Reductions for Working Professionals - Drupa 2024 Exhibition
Koay Teng Kheong	- EQ Mindfulness: Stress Reductions for Working Professionals - Edx: IBM – AI for Everyone – Master for Basics - Edx: Davison College – Intro AI for Digital Marketing
Nurjannah Binti Ali	- EQ Mindfulness: Stress Reductions for Working Professionals - 2H Market Outlook and Strategy (Public Bank Berhad) - E-invoice (LHDN Selangor)
Soon Poh Lean	- Bursa Malaysia: Mandatory Accreditation Programme Part II: Leading for Impact - ICDM LIP Alumni Inaugural Gathering
Tang Boon Lee	- EQ Mindfulness: Stress Reductions for Working Professionals

Dr. Sek Weng Yew did not attend any external seminar / training during the year due to his busy schedule.

The training programs and seminars attended by the Directors during the financial year include, among others, areas relating to corporate governance, risk management and/or 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: -

Mr. Koay Chiew Poh- Chairman, Non-Executive Chairman
Mr. Soon Poh Lean- Member, Independent Non-Executive Director
Dr. Sek Weng Yew- Member, Independent Non-Executive Director
Mr. Tang Boon Lee - Member, Independent Non-Executive Director

The responsibility of the RC is to review the remuneration framework and packages for the members of the Board and recommend them 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 experience necessary to manage the Group effectively. Directors do not participate in decisions regarding their own remuneration packages. The remuneration package of the Non-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 to business strategy and objectives: -

(i) *Remuneration package of Executive Directors*

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

1. The alignment of the remuneration package with the Group's objectives and strategies;
2. Accountability and responsibility; and
3. Yearly performance.

(ii) *Fees for Non-Executive Directors*

The fees for Directors, including Non-Executive Directors, are endorsed by the Board and tabled for approval by the shareholders of the Company at the AGM. Non-Executive Directors are paid annual fixed fees for serving on the Board. These fees reflect the experience, level of responsibility, contributions, and the time spent attending to Group matters.

(b) Nature of commitments

In determining the appropriate level of remuneration for directors, the Board considers the Group's performance in managing sustainability risks and opportunities.

The RC held its annual meeting on 24 February 2025 to review remuneration packages of the Executive Directors and Senior Management. This ensures that 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 also reviewed the remuneration packages, and benefits of the Independent Non-Executive Directors, as well as the expenses incurred in the course of carrying out their duties. The proposed Director fees and benefits for the financial year 2025 will be tabled for shareholders' approval at the forthcoming AGM of the Company.

The aggregate remuneration of the Directors 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 & SOCSO & EIS RM'000	Benefit in-kind RM'000	Total RM'000
Executive Director							
Koay Chiew Poh	-	60	-	23	12	25	120
Koay Chiew Kang	-	300	280	425	150	36	1,191
Koay Teng Liang	122*	300	100	509	181	6	1,218
Koay Teng Kheong	122*	222	333	262	157	12	1,108
Koay Chue Beng	-	384	460	202	170	22	1,238
Nurjannah Binti Ali	48 [#]	-	-	-	-	-	48
Non-Executive Director							
Soon Poh Lean	36 [#]	-	-	-	-	-	36
Sek Weng Yew	36 [#]	-	-	-	-	-	36
Tang Boon Lee	24 [#]	-	-	-	-	-	24
Total	388	1,266	1,173	1,421	670	101	5,019

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

[#] The Director's fee of RM144,000 for the FYE 2024 was approved by the shareholders at the 37th AGM and was paid in FYE2024.

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

Remuneration Range	Number of Senior Management
Between RM400,001 – RM450,000	1
Between RM450,001 – RM500,000	1
Between RM500,001 – RM550,000	2
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 is of the view 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 oversee the effectiveness of the Group's audit and risk management function. Currently, the Committee consist of three (3) Independent Non-Executive Directors. The ARMC's role and responsibilities as set out set out in pages 49 to 55 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 Auditors to discuss management reports and management's response, and the External Auditors are invited to raise any matter that requires 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. Shareholders' 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 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 56 to 59 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, on-going dialogue which helps to build trusts and understanding, as well as enable better appreciation of the Group's objectives, quality of its management and challenges. Shareholders, prospective investors and other 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 question that 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.

Members of the Board, the Joint Company Secretaries and External Auditors have attended the Group's 37th AGM held on 29 May 2024 meeting. All resolutions put to vote at the meeting were unanimously approved.

Compliance Statement

This CG Overview Statement was approved by the Board on 28 March 2025 and the Board was of the view that the Group has substantially complied with principles and practices that are set out in the 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 2024 are as below: -

Paid By	Audit fee (RM'000)	Non-Audit fee (RM'000)
Company	36	3
Group	238	6

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

There were no material contracts entered into by the Company and its subsidiaries involving the Directors and major shareholders' interests, whether still subsisting at the end of the financial year ended 31 December 2024 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 2024.

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 ("ESOS") and an Employee Share Grant Scheme ("ESGS"). 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 shares and options granted under the Scheme up to the financial year ended 31 December 2024 are as set out below: -

Grant date	Market /Exercise price (RM)	Balance as at 1 January 2024	Granted & accepted	Exercised	Forfeited	Balance as at 31 December 2024
<i>Pursuant to ESGS</i>						
- 12 July 2024	0.920	-	254,600	(254,600)	-	-
<i>Pursuant to ESOS</i>						
- 21 July 2021	0.560	9,100	-	-	-	9,100
- 30 June 2022	0.465	32,409	-	(3,388)	(1,180)	27,841
- 19 October 2022	0.495	15,978	-	(500)	(1,000)	14,478

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 2024 are as follows: -

NAME OF ARMC MEMBER	ATTENDANCE AT ARMC MEETINGS
Mr. Soon Poh Lean Chairman, Independent Non-Executive Director	5/5
Dr. Sek Weng Yew Member, Independent Non-Executive Director	5/5
Mr. Tang Boon Lee Member, Independent Non-Executive Director	4/5

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 18 November 2024, the ARMC together with the External Auditors reviewed the audit plan for the Group and the Company for the financial year ended 2024, 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 24 February 2025 and 24 March 2025, 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 the same for the Board’s approval. “Key Audit Matters” prepared in accordance to *International Standards on Auditing 701 Commentary Key Audit Matters in the Independent Auditors’ Report*, were also discussed during the meeting.
- (c) The ARMC met with the External Auditors without the presence of the Management on 18 November 2024, 24 February 2025 and 24 March 2025 to discuss the 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) In accordance with the MCCG, the ARMC assessed the suitability of the External Auditors on 24 March 2025 based on the following criteria:
 - Caliber and quality of work;
 - Independence and objectivity;
 - Communication; and
 - Professionalism.

The ARMC was satisfied that the 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 the re-appointment of the External Auditors 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 2024. During the exercise, the ARMC reviewed the adequacy and relevance of the scope, functions, resources, risk-based audit plans, and results of the Group’s 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 the audit plan approved by the ARMC were presented by the Head of Internal Audit on 29 May 2024, 19 August 2024, 18 November 2024 and 24 February 2025. The Head of Internal Audit also provided updates to the AMRC in respect of the implementation of management plans or agreed course of action on the findings reported during audit.
- (c) On 24 February 2025, 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 recommendation 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 RRPT of a revenue or trading nature prior to submission of the relevant documents to Bursa Malaysia Securities Berhad, if any.
5. **RISK MANAGEMENT AND INTERNAL CONTROL**
- (a) Reviewed and deliberated on the Group’s Risk Management Framework which identifies and monitors the development of potential major risks affecting the Group externally and internally.
- (b) Reviewed the principal risks to ensure implementation of appropriate risks management systems to effectively identify, analyse, evaluate, manage, monitor, treat and mitigate the risks impacting the Group.
- (c) Assessed emerging risks and mitigation plans, covering among others, sustainability-related risks and opportunities.
- (d) Reviewed the Statement on Risk Management and Internal Control to be disclosed in the Annual Report.
6. **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 2024. 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 the Group’s ABC Policy that was prepared in accordance to “TRUST” principles of the Guideline on Adequate Procedures, pursuant to of Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009. The ABC policy was tabled and approved by the Board.
- (d) Reviewed the conflict of interest involving Directors and Key Senior Management, in line with the MMLR.

SUMMARY OF CONFLICT OF INTEREST (“COI”)

A summary of the actual and/or potential COI situations involving Directors and Key Senior Management, along with the measures taken to resolve, eliminate or mitigate such conflicts, is as follows: -

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Koay Chiew Poh is a director and major shareholder of PPHB. Ooi Siew Hong is the spouse of Koay Chiew Poh. Koay Teng Liang, Koay Teng Kheong and Dr. Koay Teng Kwang are children of Koay Chiew Poh and Ooi Siew Hong.	- RRPT with Fame Pack and KBPHSB. - Ooi Siew Hong is a Principal Officer of PPHB Group. - Dr. Koay Teng Kwang is an employee of PPSB, PPNT, PPAM and PPHK, the wholly-owned subsidiaries of PPHB.	- To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family’s interests - The annual performance evaluation and remunerations of Ooi Siew Hong and Dr. Koay Teng Kwang will be subject to and endorsed by the Nominating and Remuneration Committees.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Koay Chiew Poh (con't) Goh Ee Lin is the spouse of Koay Teng Liang and Lim Mei Lin is the spouse of Koay Teng Kheong. Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB. Fame Pack Holdings Sdn Bhd (“Fame Pack”) is a substantial shareholder of PPHB, of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders. Koay Boon Pee Holding Sdn Bhd (“KBPHSB”) is a shareholder of PPHB, of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders.		
Ooi Siew Hong is a Principal Officer and major shareholder of PPHB. Ooi Siew Hong is the spouse of Koay Chiew Poh. Koay Teng Liang, Koay Teng Kheong and Koay Teng Kwang are children of Koay Chiew Poh and Ooi Siew Hong. Goh Ee Lin is the spouse of Koay Teng Liang and Lim Mei Lin is the spouse of Koay Teng Kheong. Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are brothers-in-law. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB. Fame Pack is a substantial shareholder of PPHB of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders. KBPHSB is a shareholder of PPHB of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders.	- RRPT with Fame Pack and KBPHSB. - Ooi Siew Hong is a Principal Officer of PPHB Group. - Dr. Koay Teng Kwang is an employee of PPSB, PPNT, PPAM and PPHK, the wholly-owned subsidiaries of PPHB.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests. - The annual performance evaluation and remunerations of Ooi Siew Hong and Dr. Koay Teng Kwang will be subject to and endorsed by the Nominating and Remuneration Committees.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Koay Chiew Kang Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings. Koay Sze-Lynn, Koay Mei-Lynn and Koay Lynn-Lynn are children of Koay Chiew Kang. Koay Teng Liang and Koay Teng Kheong are nephews of Koay Chiew Kang. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB. KBPHSB is a shareholder of PPHB, of which Koay Chiew Kang is a director and shareholder. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.	- RRPT with KBPHSB. - Koay Sze-Lynn is an employee of PPSB, PPNT, PPPR, PPAM, PPHK and Plaza, the wholly-owned subsidiaries of PPHB. - Koay Mei-Lynn is an employee of PPSB, PPNT, PPPR, PPAM and MC, the wholly-owned subsidiaries of PPHB. - Koay Lynn-Lynn is an employee of PPSB, PPNT, PPPR, PPAM and PPHK, the wholly-owned subsidiaries of PPHB.	- To ensure RRPT are carried out at arm's length - To abstain from any discussion/voting pertaining to RRPT. - The annual performance evaluation and remuneration of Koay Sze-Lynn, Koay Mei-Lynn and Koay Lynn-Lynn will be subject to and endorsed by the Nominating and Remuneration Committees.
Koay Chue Beng Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings. Koay Teng Seah is the son of Koay Chue Beng. Koay Teng Liang and Koay Teng Kheong are nephews of Koay Chue Beng. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB. KBPHSB is a shareholder of PPHB, of which Koay Chue Beng is a director and shareholder. Koay Chue Beng is a director of Infinite Network Sdn Bhd ("Infinite").	- RRPT with KBPHSB and Infinite. - Koay Teng Seah is an employee of PPHDD, a wholly-owned subsidiary of PPHB.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests. - The annual performance evaluation and remuneration of Koay Teng Seah will be subject to and endorsed by the Nominating and Remuneration Committees.
Koay Chiew Lee Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings. Koay Teng Liang and Koay Teng Kheong are nephews of Koay Chue Beng.	- RRPT with KBPHSB and Infinite.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Koay Chiew Lee (con't) Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB. KBPHSB is a shareholder of PPHB, of which Koay Chiew Lee is a director and shareholder.		
Koay Teng Liang Koay Teng Liang is the son of Koay Chiew Poh and Ooi Siew Hong. Koay Teng Liang and Koay Teng Kheong are siblings. Koay Chiew Kang, Koay Chiew Lee and Koay Chue Beng are uncles of Koay Teng Liang. Goh Ee Lin is the spouse of Koay Teng Liang. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB. Multiple Accomplishment Sdn. Bhd. (“MASB”) is a substantial shareholder of PPHB, of which Koay Teng Liang is a director and shareholder. Koay Teng Liang is a director and shareholder of Fame Pack. Koay Teng Liang is a director and shareholder of Peoples Primary Healthcare Sdn. Bhd. (“PPHSB”).	- RRPT with Fame Pack, PPHSB and MASB. - Goh Ee Lin is an employee of PPHDD, a wholly-owned subsidiary of PPHB.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests. - The annual performance evaluation and remuneration of Goh Ee Lin will be subject to and endorsed by the Nominating and Remuneration Committees.
Koay Teng Kheong Koay Teng Kheong is the son of Koay Chiew Poh and Ooi Siew Hong. Koay Teng Kheong and Koay Teng Liang are siblings. Koay Chiew Kang, Koay Chiew Lee and Koay Chue Beng are uncles of Koay Teng Kheong. Lim Mei Lin is the spouse of Koay Teng Kheong. Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.	- RRPT with Fame Pack, PPHSB and MASB. - Lim Mei Lin is employee of PPNT, PPHPG and PPAM, the wholly-owned subsidiaries of PPHB.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests. - The annual performance evaluation and remuneration of Lim Mei Lin will be subject to and endorsed by the Nominating and Remuneration Committees.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Koay Teng Kheong (con't) MASB is a shareholder of PPHB, of which Koay Teng Kheong is a director and shareholder. Koay Teng Kheong is a director and shareholder of Fame Pack. Koay Teng Kheong is a director and shareholder of Peoples Primary Healthcare Sdn Bhd.		
Nurjannah Binti Ali Nurjannah Binti Ali is an Executive Director of PPHB Nurjannah Binti Ali is a director and shareholder of Turas Sdn Bhd ("Turas"). Nurjannah Binti Ali is a director of Infinite.	- RRPT with Turas and Infinite.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving her interests.
Tang Boon Lee Tang Boon Lee is an Independent Non-executive Director of PPHB. Tang Boon Lee is a director of Turas and Infinite.	- RRPT with Turas and Infinite.	- To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his interests.

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 Group'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 the 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 FYE 2024, the Internal Auditors completed a total of 95 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 will 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 Company 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 is responsible to ensure that the Group’s system of internal control is in place.

During the financial year ended 31 December 2024, the Group incurred RM177,000 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 to 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 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: -

Mr. Soon Poh Lean- Chairman, Independent Non-Executive Director

Mr. Tang Boon Lee - Member, Independent Non-Executive Director

Dr. Sek Weng Yew- Member, Independent Non-Executive Director

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 the Group’s operations are not adversely affected by the environment;
- Ensuring compliance with 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 is 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.

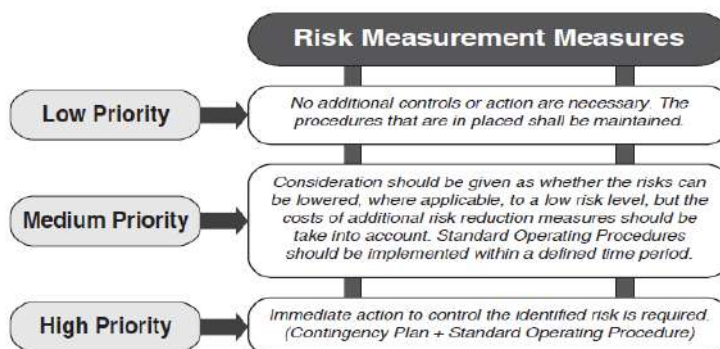
(b) **Risk Evaluation and Categorisation**

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 is adequate and remains 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 responsibility 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 MFRS Accounting Standards, IFRS Accounting 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**

The Group has implemented a formal Human Resource Policy and Employee Handbook across the Group to ensure its ability to operate in an effectively and efficiently. These documents are reviewed and updated periodically to comply with the applicable laws.

Annual performance appraisals are conducted annually to assess employees' competency. In addition, 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 encourage 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 2024 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

During the Board meeting held on 24 March 2025, 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 is adequate and is operating effectively, in all material aspects, during the financial year under review.

This statement was approved by the Board on 28 March 2025.

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 2024

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 2024**.

PRINCIPAL ACTIVITIES

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

The principal activities of the 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	40,973	15,998

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 2024** 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 RM0.00375 per ordinary share amounting to RM999,145 in respect of the financial year ended 31 December 2023 on 26 February 2024 and paid on 26 March 2024.

On 24 February 2025, the Company has declared a single tier interim dividend of RM0.00375 per ordinary share amounting to RM1,000,115 in respect of the financial year ended 31 December 2024 and paid on 17 March 2025. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2025.

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:

- (i) issuance of 254,600 new ordinary shares pursuant to the Employee Share Grant Scheme ("ESGS");
- (ii) issuance of 3,388 new ordinary shares pursuant to the exercise of Employee Share Option Scheme ("ESOS") at an exercise price of RM0.465 per ESOS for a total cash consideration of RM1,575; and
- (iii) issuance of 500 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.495 per ESOS for a total cash consideration of RM248.

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 1.1.2024	Exercised	Forfeited	Balance at 31.12.2024
21.7.2021	0.560	9,100	-	-	9,100
30.6.2022	0.465	32,409	(3,388)	(1,180)	27,841
19.10.2022	0.495	15,978	(500)	(1,000)	14,478

Grant date	----- Number of ESGS -----			
	Balance at 1.1.2024	Granted	Vested	Balance at 31.12.2024
12.7.2024	-	254,600	(254,600)	-

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 beginning of the 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)
- Soon Poh Lean
- Dr. Sek Weng Yew
- Tang Boon Lee
- * Gooi Chye Soon (appointed on 24.2.2025)

Directors of the subsidiaries:

Koay Chiew Lee
Ooi Siew Hong
Loo Weng Keen
Tan Peck Sian
Tay Gee Lang
Wong Lai Cheun (resigned on 3.4.2024)
Che Puan Binti Abdullah (resigned on 27.6.2024)

* 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 1.1.2024	Bought	ESGS *	Balance at 31.12.2024
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	2,016,903	-	-	2,016,903
Koay Teng Kheong	1,904,910	-	-	1,904,910
Koay Chue Beng	938,860	-	-	938,860
Tang Boon Lee	11,519	-	-	11,519
Deemed Interest:				
¹ Koay Chiew Poh	118,890,249	-	127,300	119,017,549
² Koay Chiew Kang	9,844,390	-	10,000	9,854,390
³ Koay Chue Beng	9,443,999	-	-	9,443,999
⁴ Koay Teng Liang	17,559,763	-	-	17,559,763
⁴ Koay Teng Kheong	17,559,763	-	-	17,559,763

* Arising from the ESGS granted.

	----- Number of share grants-----			
	Balance at 1.1.2024	Granted	Vested	Balance at 31.12.2024
The Company:				
Deemed Interest:				
⁵ Koay Chiew Poh	-	127,300	(127,300)	-
⁶ Koay Chiew Kang	-	10,000	(10,000)	-

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.

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

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	144	244	388
Salaries, bonus and allowances	-	3,860	3,860
Defined contribution plan	-	659	659
Social security contribution and employment insurance scheme	-	11	11
Benefits-in-kind	-	101	101
	144	4,875	5,019

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 Note 28 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the 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.

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 proper 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 there were no bad debts to be written off and adequate provision had been made for doubtful debts; 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 write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values 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 method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements 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 persons; 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 2024 are as follows:

	GROUP RM'000	COMPANY RM'000
Statutory audit	238	36
Assurance related services and non-audit services	6	3
Total	244	39

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: 28 March 2025

.....
Koay Teng Liang

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 70 to 121 are properly drawn up in accordance with MFRS Accounting 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 2024** 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: 28 March 2025

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 70 to 121 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 in Penang, this **28th**)
day of **March 2025**.)

.....
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 2024** 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 70 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2024** and of their financial performance and cash flows for the financial year then ended in accordance with MFRS Accounting 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 matter 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 MFRS Accounting 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 these 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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: 28 March 2025

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	NOTE	GROUP		COMPANY	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	140,943	141,651	1	1
Investment properties	5	26,254	25,878	-	-
Right-of-use assets	6	1,730	1,693	-	-
Investment in subsidiaries	7	-	-	137,349	135,349
Investment in joint ventures	8	35,917	34,931	15,100	15,100
Other investments	9	7,777	6,559	-	-
Deferred tax assets	10	5,663	7,377	-	-
		<u>218,284</u>	<u>218,089</u>	<u>152,450</u>	<u>150,450</u>
Current assets					
Inventories	11	12,119	12,811	-	-
Trade and other receivables	12	46,376	47,481	2	2
Contract assets	13	55	139	-	-
Current tax assets		6,730	3,520	31	38
Other investments	9	166,240	129,350	57,465	38,243
Cash and bank balances	14	24,638	27,152	182	6,271
		<u>256,158</u>	<u>220,453</u>	<u>57,680</u>	<u>44,554</u>
TOTAL ASSETS		<u>474,442</u>	<u>438,542</u>	<u>210,130</u>	<u>195,004</u>
EQUITY AND LIABILITIES					
Share capital	15	133,794	133,558	133,794	133,558
Reserves	16	7,941	7,785	9	10
Retained profits	17	288,923	248,861	76,282	61,283
Total equity		<u>430,658</u>	<u>390,204</u>	<u>210,085</u>	<u>194,851</u>
Non-current liabilities					
Borrowings	18	1,072	2,784	-	-
Lease liabilities	6	513	680	-	-
Deferred tax liabilities	10	12,528	12,401	-	-
		<u>14,113</u>	<u>15,865</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	19	19,974	19,622	45	36
Contract liabilities	13	5,937	5,473	-	-
Borrowings	18	2,219	6,258	-	117
Lease liabilities	6	1,319	1,073	-	-
Current tax liabilities		222	47	-	-
		<u>29,671</u>	<u>32,473</u>	<u>45</u>	<u>153</u>
Total liabilities		<u>43,784</u>	<u>48,338</u>	<u>45</u>	<u>153</u>
TOTAL EQUITY AND LIABILITIES		<u>474,442</u>	<u>438,542</u>	<u>210,130</u>	<u>195,004</u>

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	NOTE	GROUP		COMPANY	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	20	206,768	209,570	15,314	11,594
Cost of sales	21	(117,537)	(125,434)	-	-
Gross profit		89,231	84,136	15,314	11,594
Other income		5,562	5,241	316	385
Administrative expenses		(26,643)	(22,711)	(330)	(320)
Selling and distribution expenses		(19,166)	(18,491)	-	-
Other operating expenses		(871)	-	-	-
(Addition)/Reversal of allowance for expected credit losses on:					
- Trade receivable		(6)	-	-	-
- Other receivable		700	-	700	-
Operating profit		48,807	48,175	16,000	11,659
Finance costs		(468)	(902)	(2)	(7)
Finance income		200	307	-	-
Share of results of joint ventures		1,986	4,833	-	-
Profit before tax	22	50,525	52,413	15,998	11,652
Taxation	23	(9,552)	(3,925)	*	*
Profit for the financial year		40,973	48,488	15,998	11,652
Other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		(480)	498	-	-
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		725	213	-	-
Transfer of revaluation surplus to retained profits		88	91	-	-
Realisation of revaluation surplus upon depreciation		(88)	(91)	-	-
Total other comprehensive income for the financial year		245	711	-	-
Total comprehensive income for the financial year, attributable to owners of the Company		41,218	49,199	15,998	11,652

* Represents RM1

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

		GROUP		COMPANY	
	NOTE	2024	2023	2024	2023
Earnings per share attributable to owners of the Company (sen)					
- Basic	24	15.37	18.22		
- Diluted	24	15.37	18.22		

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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
2024							
Balance at beginning	133,558	5,077	10	243	2,455	248,861	390,204
Total comprehensive income for the financial year	-	(88)	-	725	(480)	41,061	41,218
<i>Transactions with owners of the Company</i>							
Issuance of shares pursuant to:							
- ESGS 15	233	-	(233)	-	-	-	-
- Exercise of ESOS 15	2	-	-	-	-	-	2
Grant of ESGS to employees	-	-	233	-	-	-	233
Transfer of ESOS reserve upon exercised 15	1	-	(1)	-	-	-	-
Dividend 25	-	-	-	-	-	(999)	(999)
Total transactions with owners of the Company	236	-	(1)	-	-	(999)	(764)
Balance at end	133,794	4,989	9	968	1,975	288,923	430,658
2023							
Balance at beginning	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	2,455	248,861	390,204

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	NOTE	Share Capital RM'000	Non-distributable ESOS and ESGS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
2024					
Balance at beginning		133,558	10	61,283	194,851
Total comprehensive income for the financial year		-	-	15,998	15,998
<i>Transactions with owners of the Company</i>					
Issuance of shares pursuant to:					
- ESGS	15	233	(233)	-	-
- Exercise of ESOS	15	2	-	-	2
Grant of ESGS to employees		-	233	-	233
Transfer of ESOS reserve upon exercised	15	1	(1)	-	-
Dividend	25	-	-	(999)	(999)
Total transactions with owners of the Company		236	(1)	(999)	(764)
Balance at end		133,794	9	76,282	210,085
2023					
Balance at beginning		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 share 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

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	50,525	52,413	15,998	11,652
Adjustments for:				
Accretion of interest on lease liabilities	108	95	-	-
Addition/(Reversal) of allowance for expected credit losses on:				
- Trade receivable	6	-	-	-
- Other receivable	(700)	-	(700)	-
Bad debts written off on trade receivables	-	67	-	-
Deposits forfeited	(4)	-	-	-
Depreciation of:				
- Property, plant and equipment	8,387	8,871	-	-
- Right-of-use assets	1,646	1,162	-	-
Distribution income	(3,083)	(1,988)	(1,314)	(794)
Dividend income	(445)	(285)	(14,000)	(10,800)
Equity-settled share-based payments	233	384	233	-
Fair value (gain)/loss on:				
- Investment properties	(80)	90	-	-
- Quoted equity investments	(691)	(137)	-	-
- Short term funds	(1,980)	(1,630)	(316)	(384)
Gain on disposal of:				
- Property, plant and equipment	(43)	(24)	-	-
- Quoted equity investments	(59)	-	-	-
Impairment loss of property, plant and equipment	871	-	-	-
Interest expenses	360	807	2	7
Interest income	(200)	(307)	-	-
Property, plant and equipment written off	15	201	-	-
Share of results of joint ventures	(1,986)	(4,833)	-	-
Unrealised loss/(gain) on foreign exchange	271	(647)	-	-
Operating profit/(loss) before working capital changes	53,151	54,239	(97)	(319)
Changes in:				
Inventories	692	2,658	-	-
Receivables	1,717	4,693	700	6
Contract assets	84	(81)	-	-
Payables	395	(1,857)	9	(6)
Contract liabilities	509	329	-	-
Cash generated from/(used in) operations	56,548	59,981	612	(319)
Interest paid	(360)	(807)	(2)	(7)
Interest received	200	307	-	-
Income tax paid	(10,851)	(12,102)	(17)	(10)
Income tax refunded	105	363	24	-
Net cash from/(used in) operating activities, balance carried forward	45,642	47,742	617	(336)

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

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	GROUP		COMPANY	
	2024	2023	2024	2023
NOTE	RM'000	RM'000	RM'000	RM'000
Balance brought forward	45,642	47,742	617	(336)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	445	285	13,000	10,800
Dividend received from a joint venture	1,000	-	1,000	-
Additions in investment in a subsidiary	-	-	(2,000)	(3,000)
Additions in quoted equity investments	(1,770)	(3,664)	-	-
Additions in unit trusts	(20,099)	(27,650)	(15,600)	(17,650)
Proceeds from disposal of property, plant and equipment	48	73	-	-
Proceeds from disposal of quoted equity investments	197	-	-	-
Purchase of property, plant and equipment	(8,571)	(5,679)	-	-
Subsequent expenditures on an investment property	(296)	(705)	-	-
Net changes in short term funds with a licensed financial institution	2,205	1,647	350	387
Net changes in fixed deposits with a licensed bank	154	77	-	-
Net changes in subsidiaries' balances	-	-	-	524
Net cash used in investing activities	(26,687)	(35,616)	(3,250)	(8,939)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(999)	(665)	(999)	(665)
Proceeds from issuance of ordinary shares	2	-	2	-
Repayment of bill payables	(2,430)	(1,590)	-	-
Repayment of finance lease liabilities	(31)	(350)	-	-
Net changes of Murabahah financing	-	(2,539)	-	-
Repayment of term loans	(1,600)	(1,367)	-	-
Repayment of lease liabilities	(1,711)	(1,303)	-	-
Net cash used in financing activities	(6,769)	(7,814)	(997)	(665)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,186	4,312	(3,630)	(9,940)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(753)	871	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING	84,623	79,440	16,395	26,335
CASH AND CASH EQUIVALENTS AT END	96,056	84,623	12,765	16,395
The cash and cash equivalents are represented by:				
Fixed deposits with a licensed bank	-	238	-	-
Cash in hand and at banks	24,638	26,914	182	6,271
Short term funds with a licensed financial institution	71,939	59,836	12,583	10,241
Less: Fixed deposits pledged with a licensed bank	-	(154)	-	-
Bank overdrafts	(521)	(2,211)	-	(117)
	96,056	84,623	12,765	16,395

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 ¹ RM'000	Balance at end RM'000
GROUP				
2024				
Borrowings excluding bank overdrafts	6,831	(4,061)	-	2,770
Lease liabilities	1,753	(1,711)	1,790	1,832
Total liabilities arising from financing activities	8,584	(5,772)	1,790	4,602
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	8,584

¹ Others consist of non-cash movements as follows:

	GROUP 2024 RM'000	2023 RM'000
Accretion of interest on lease liabilities	108	95
Additions of lease liabilities	1,792	1,090
Derecognition of lease liabilities	(85)	(119)
Foreign currency translation	(25)	11
	1,790	1,077

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is 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 Kampung 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 28 March 2025.

Principal Activities

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

The principal activities of the 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 MFRS Accounting Standards, 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 operation has different functional currency.

2.4 Adoption of Amendments to MFRSs

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

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

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

The following are accounting standards/amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

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 for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

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 standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

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 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 not included the extension option period as part of the lease term for lease of premises as it is not reasonably certain that the extension option will be exercised. For the lease of motor vehicles, the Group has not included the extension option as part of the lease term as there is no extension option available. The period covered by termination option is included as part of the lease term only when it is 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 Group's investment properties as at the end of the 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 (“IBR”)**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its 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 assets 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

2024

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	82,886	565	105,947	13,839	4,717	7,456	678	3,787	3,530	2,831	260,338
Additions	-	-	83	-	6,506	66	-	267	17	469	-	1,163	8,571
Disposals	-	-	-	-	-	(24)	(432)	(4)	-	-	-	-	(460)
Written offs	-	-	-	-	(6,804)	-	(22)	(1,054)	-	-	-	-	(7,880)
Reclassification	-	-	3,334	-	240	-	-	179	-	-	165	(3,918)	-
Foreign currency translation	-	-	-	-	-	-	-	(11)	-	(2)	-	-	(13)
Balance at end	16,533	17,569	86,303	565	105,889	13,881	4,263	6,833	695	4,254	3,695	76	260,556

Accumulated depreciation

Balance at beginning	-	5,682	17,825	327	73,017	7,121	3,638	6,778	632	2,885	205	-	118,110
Current charge	-	340	2,270	7	3,291	1,416	237	246	11	204	365	-	8,387
Disposals	-	-	-	-	-	(24)	(427)	(4)	-	-	-	-	(455)
Written offs	-	-	-	-	(6,789)	-	(22)	(1,054)	-	-	-	-	(7,865)
Foreign currency translation	-	-	-	-	-	-	-	(10)	-	(2)	-	-	(12)
Balance at end	-	6,022	20,095	334	69,519	8,513	3,426	5,956	643	3,087	570	-	118,165

Accumulated impairment losses

Balance at beginning	-	-	-	-	577	-	-	-	-	-	-	-	577
Current charge	-	-	-	-	871	-	-	-	-	-	-	-	871
Balance at end	-	-	-	-	1,448	-	-	-	-	-	-	-	1,448
Carrying amount	16,533	11,547	66,208	231	34,922	5,368	837	877	52	1,167	3,125	76	140,943

2023

At cost		Furniture, fittings and equipment										Capital work-in-progress		Total
	RM'000	Freehold land	Leasehold land	Buildings	Apartments	Plant and machinery	Hotel equipment	Motor vehicles	Office equipment	Electrical installation	Renovation	Solar system	RM'000	RM'000
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

COMPANY

	Furniture, fittings and office equipment	
	2024	2023
	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 RM'000	Current depreciation RM'000
GROUP		
2024		
Leasehold land	11,547	340
2023		
Leasehold land	11,887	340

- (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	
	2024	2023
	RM'000	RM'000
Motor vehicles	-	387

- (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	
	2024	2023
	RM'000	RM'000
Freehold land	9,955	9,955
Building	38,448	48,754
	48,403	58,709

- (iv) During the financial year, a subsidiary has impaired plant and machinery amounting to RM870,611 as a result of technology obsolescence.

Material accounting policy information

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

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	45 - 53 years
Buildings	10 - 85 years
Apartments	85 years
Plant and machinery	2.86% - 20%
Hotel equipment	10% - 20%
Motor vehicles	10% - 12.50%
Furniture, fittings and office equipment	10% - 33.33%
Electrical installation	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	
	2024	2023
	RM'000	RM'000
Balance at beginning	25,878	25,263
Addition	296	705
Fair value gain/(loss) recognised in profit or loss	80	(90)
Balance at end	26,254	25,878

The investment properties consist of the following:

	GROUP	
	2024	2023
	RM'000	RM'000
At fair value		
Freehold land and buildings	18,870	18,840
Commercial property	2,300	2,300
Apartments	3,650	3,600
At cost		
Building under construction	1,434	1,138
	26,254	25,878

- (i) 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 **RM17,700,000** (2023: RM17,940,000).
- (ii) 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.
- (iii) **Group as a 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	
	2024	2023
	RM'000	RM'000
Rental income from income generating properties	403	392
Direct operating expenses		
- Rental income generating	35	47
- Non-rental income generating	17	149

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

	GROUP	
	2024	2023
	RM'000	RM'000
Within one year	176	337
More than one year and less than five years	81	72
	257	409

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 terms of two to five years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has certain leases of premises, 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 amounts of right-of-use assets and the movements during the financial year:

	Motor vehicles RM'000	Premises RM'000	Total RM'000
GROUP			
2024			
Balance at beginning	1,065	628	1,693
Additions	315	1,477	1,792
Depreciation	(766)	(880)	(1,646)
Derecognition	-	(85)	(85)
Foreign currency translation	-	(24)	(24)
Balance at end	614	1,116	1,730

	Motor vehicles RM'000	Premises RM'000	Total RM'000
GROUP			
2023			
Balance at beginning	1,452	421	1,873
Additions	411	679	1,090
Depreciation	(679)	(483)	(1,162)
Derecognition	(119)	-	(119)
Foreign currency translation	-	11	11
Balance at end	<u>1,065</u>	<u>628</u>	<u>1,693</u>

Lease liabilities

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

	Motor vehicles RM'000	Premises RM'000	Total RM'000
GROUP			
2024			
Balance at beginning	1,065	688	1,753
Additions	315	1,477	1,792
Accretion of interest	29	79	108
Payments	(774)	(937)	(1,711)
Derecognition	-	(85)	(85)
Foreign currency translation	-	(25)	(25)
Balance at end	<u>635</u>	<u>1,197</u>	<u>1,832</u>

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	<u>1,065</u>	<u>688</u>	<u>1,753</u>

	GROUP	
	2024 RM'000	2023 RM'000
Represented by:		
Non-current	513	680
Current	1,319	1,073
	<u>1,832</u>	<u>1,753</u>

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:

	GROUP	
	2024	2023
	RM'000	RM'000
Depreciation of right-of-use assets	1,646	1,162
Accretion of interest on lease liabilities	108	95
Expenses relating to leases of low value assets	59	52
Expenses relating to short term leases	453	716
Total amount recognised in profit or loss	2,266	2,025
Total cash outflow for leases	2,223	2,071

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	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	137,349	135,349

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 Entities	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
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.	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 Entities	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
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

2024

On 26 August 2024, the Company has subscribed for additional 2,000,000 ordinary shares in MCSB at RM2,000,000 for cash. No changes in the equity interest subsequent to the subscription of ordinary shares.

2023

On 19 April 2023, the Company had 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.

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	19,112	19,112	15,100	15,100
Share of post-acquisition results	17,805	15,819	-	-
Less: Dividend received	(1,000)	-	-	-
	35,917	34,931	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
	2024 %	2023 %	
* 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.
* Not audited by Grant Thornton Malaysia PLT.			

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 2024			
Non-current assets	8,883	55,500	64,383
Current assets excluding cash and bank balances	15,397	-	15,397
Cash and bank balances	10,224	1,548	11,772
Non-current liabilities	(1,056)	(12,330)	(13,386)
Current liabilities	(5,427)	(905)	(6,332)
Net assets	28,021	43,813	71,834
Reconciliation of net assets to carrying amount			
Group's share of net assets, representing carrying amounts in the statements of financial position	14,011	21,906	35,917
Year ended 31 December 2024			
Results			
Revenue	47,632	2,160	49,792
Cost of sales excluding depreciation	(26,405)	-	(26,405)
Depreciation	(1,797)	-	(1,797)
Other income excluding interest income	732	1,527	2,259
Interest income	129	6	135
Interest expense	(51)	(577)	(628)
Other expenses	(18,107)	(199)	(18,306)
Profit before tax	2,133	2,917	5,050
Taxation	(592)	(486)	(1,078)
Profit for the financial year, representing total comprehensive income for the financial year	1,541	2,431	3,972
Group's share of total comprehensive income	771	1,215	1,986
Contingent liabilities			
Corporate guarantee extended by PTVC to licensed banks for banking facilities granted to a subsidiary of PTVC	5,100	-	5,100

	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	20,691	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
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

The Group's investment in joint ventures are accounted for using the equity method. In the Company's separate financial statements, investment in joint ventures are measured at cost less impairment losses.

9. OTHER INVESTMENTS

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")				
Quoted equity investments				
- In Malaysia	180	228	-	-
- In Singapore	7,597	6,331	-	-
	7,777	6,559	-	-

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Financial assets at fair value through profit or loss ("FVTPL")				
Quoted equity investments				
- In Malaysia	3,680	2,029	-	-
- In the United States of America	179	-	-	-
Short term funds with a licensed financial institution	71,939	59,836	12,583	10,241
Unit trusts	90,442	67,485	44,882	28,002
	166,240	129,350	57,465	38,243
Total other investments	174,017	135,909	57,465	38,243

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	
	2024	2023
	RM'000	RM'000
Balance at beginning	(5,024)	(11,130)
Recognised in profit or loss	(2,050)	5,850
Foreign currency translation	-	(1)
	(7,074)	(5,281)
Over provision in prior year	209	257
Balance at end	(6,865)	(5,024)

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

	GROUP	
	2024	2023
	RM'000	RM'000
Deferred tax assets	5,663	7,377
Deferred tax liabilities	(12,528)	(12,401)
	(6,865)	(5,024)

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

	GROUP	
	2024	2023
	RM'000	RM'000
Property, plant and equipment	(10,272)	(9,945)
Investment properties	(1,772)	(1,764)
Revaluation reserve	(3,286)	(3,406)
Unabsorbed capital allowances	78	123
Balance carried forward	(15,252)	(14,992)

	GROUP	
	2024	2023
	RM'000	RM'000
Balance brought forward	(15,252)	(14,992)
Unabsorbed investment tax allowance	6,846	8,361
Unabsorbed reinvestment allowance	684	842
Unused tax losses	-	114
Other deductible temporary differences	857	651
	(6,865)	(5,024)

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	
	2024	2023
	RM'000	RM'000
At cost		
Raw materials	5,546	6,611
Work-in-progress	1,329	779
Finished goods	4,114	4,291
Consumables	1,130	1,130
	12,119	12,811
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	106,165	114,253

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	44,557	45,374	-	-
Less: Allowance for expected credit losses				
Balance at beginning	(3)	(3)	-	-
Current year	(6)	-	-	-
Balance at end	(9)	(3)	-	-
Balance carried forward	44,548	45,371	-	-

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance brought forward	44,548	45,371	-	-
Other receivables				
Sundry receivables	493	1,251	-	700
Less: Allowance for expected credit losses				
Balance at beginning	(782)	(782)	(700)	(700)
Reversal	700	-	700	-
Balance at end	(82)	(782)	-	(700)
	411	469	-	-
Refundable deposits	679	531	2	2
Prepayments	738	1,110	-	-
	1,828	2,110	2	2
Total trade and other receivables	46,376	47,481	2	2

The normal trade credit terms granted by the Group range from **30 to 180 days** (2023: 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 currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	38,737	39,309	2	2
United States Dollar	6,307	6,456	-	-
Singapore Dollar	1,324	1,540	-	-
Thai Baht	8	-	-	-
Philippine Peso	-	176	-	-
	46,376	47,481	2	2

13. CONTRACT ASSETS/(LIABILITIES)

		GROUP	
	NOTE	2024 RM'000	2023 RM'000
Contract assets			
- Accrued income	13.1	55	139
Contract liabilities			
- Customers' deposits	13.2	(5,937)	(5,473)
		(5,882)	(5,334)

13.1 Contract assets from accrued income

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

	GROUP	
	2024 RM'000	2023 RM'000
Balance at beginning	139	58
Revenue recognised during the financial year	8,926	8,509
Billings issued during the financial year	(9,010)	(8,428)
Balance at end	55	139

13.2 Contract liabilities from customers' 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	
	2024	2023
	RM'000	RM'000
Balance at beginning	(5,473)	(5,082)
Revenue recognised during the financial year	6,922	5,492
Deposits received during the financial year	(7,431)	(5,822)
Foreign currency translation	45	(61)
Balance at end	(5,937)	(5,473)

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 **RM5,937,499** (2023: RM5,472,848).

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unencumbered:				
Fixed deposits with a licensed bank	-	84	-	-
Cash in hand and at banks	24,638	26,914	182	6,271
	24,638	26,998	182	6,271
Encumbered:				
Fixed deposits with a licensed bank	-	154	-	-
	24,638	27,152	182	6,271

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

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	14,881	16,809	182	6,271
United States Dollar	7,858	7,736	-	-
Singapore Dollar	1,808	2,591	-	-
Australian Dollar	12	16	-	-
Euro	79	-	-	-
	24,638	27,152	182	6,271

The encumbered fixed deposits of the Group were 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 maturity of the fixed deposits with a licensed bank of the Group as at the end of the reporting period were 2.50% per annum and 12 months respectively.

15. **SHARE CAPITAL**

	Number of ordinary shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid with no par value:				
Balance at beginning	266,439	265,852	133,558	133,174
Issuance of shares pursuant to:				
- ESGS	254	587	233	384
- Exercise of ESOS	4	-	2	-
Transfer of ESOS reserve upon exercised	-	-	1	-
Balance at end	266,697	266,439	133,794	133,558

2024

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

- issuance of 254,600 new ordinary shares pursuant to ESGS. The related fair value of the ESGS amounting to RM234,232 was transferred from the ESGS reserve to share capital upon vesting of ESGS;
- issuance of 3,388 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.465 per ESOS for a total cash consideration of RM1,575. Upon the exercise of the ESOS, the related fair value of the ESOS amounting to RM534 was transferred from the ESOS reserve to share capital; and
- issuance of 500 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.495 per ESOS for a total cash consideration of RM248. Upon the exercise of the ESOS, the related fair value of the ESOS amounting to RM106 was transferred from the ESOS reserve to share capital.

2023

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

- 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
- 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.

16. **RESERVES**

	NOTE	GROUP		COMPANY	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable:					
Revaluation reserve	16.1	4,989	5,077	-	-
ESOS and ESGS reserve	16.2	9	10	9	10
Fair value adjustment reserve	16.3	968	243	-	-
Foreign translation reserve	16.4	1,975	2,455	-	-
		7,941	7,785	9	10

16.1 **Revaluation reserve**

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

- RM482,241** (2023: RM482,241) in respect of the surplus on revaluation of property, net of deferred tax, in prior years; and
- RM4,506,641** (2023: RM4,594,833) 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 restrictions on the Company to distribute dividends subject to the availability of retained profits.

18. **BORROWINGS**

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Secured:				
<u>Finance lease liabilities</u>				
Minimum payments:				
Within one year	-	32	-	-
Future finance charges	-	(1)	-	-
	-	31	-	-
Amount due within one year included under current liabilities	-	(31)	-	-
	-	-	-	-
<u>Term loans</u>				
Total amount repayable	2,770	4,370	-	-
Amount due within one year included under current liabilities	(1,698)	(1,586)	-	-
	1,072	2,784	-	-
	1,072	2,784	-	-
Current liabilities				
Secured:				
Bank overdrafts	521	2,211	-	117
Bill payables	-	2,430	-	-
Finance lease liabilities	-	31	-	-
Term loans	1,698	1,586	-	-
	2,219	6,258	-	117
Total borrowings	3,291	9,042	-	117

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					
2024					
Bank overdrafts	7.95	521	521	-	-
Term loans	6.85 to 7.85	2,770	1,698	1,072	-
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 to 7.85	4,370	1,586	1,698	1,086
COMPANY					
2023					
Bank overdraft	8.20	117	117	-	-

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables				
Third parties	7,263	8,265	-	-
Other payables				
Sundry payables	3,306	2,407	2	1
Accruals	7,042	7,107	43	35
Deposits received	451	273	-	-
SST payable	1,865	1,537	-	-
GST payable	47	33	-	-
	12,711	11,357	45	36
Total trade and other payables	19,974	19,622	45	36

The trade payables are non-interest bearing and are normally settled on **30 to 90 days** (2023: 30 to 120 days) credit terms.

Included in the sundry payables of the Group is an amount of **RM28,219** (2023: RM91,365) due to companies 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	18,359	18,304	45	36
United States Dollar	882	-	-	-
Singapore Dollar	579	1,304	-	-
Renminbi	140	-	-	-
Euro	14	14	-	-
	19,974	19,622	45	36

20. REVENUE

20.1 Disaggregated revenue information

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Types of revenue				
Sales of goods	180,050	185,735	-	-
Room revenue	21,585	19,640	-	-
Food and beverages income	2,752	2,511	-	-
Other hotel operation income	269	172	-	-
Total revenue from contracts with customers	204,656	208,058	-	-
Distribution income	1,314	794	1,314	794
Gross dividend from:				
- A joint venture	-	-	1,000	-
- Quoted equity investments	102	30	-	-
- Subsidiaries	-	-	13,000	10,800
Rental income	696	688	-	-
Other revenue	2,112	1,512	15,314	11,594
Total revenue	206,768	209,570	15,314	11,594
Timing of revenue recognition				
At a point in time	183,071	188,418	-	-
Over time	21,585	19,640	-	-
Total revenue from contracts with customers	204,656	208,058	-	-
Geographical segments				
Malaysia	191,340	189,918	-	-
Asia Pacific	12,062	17,150	-	-
Europe	869	401	-	-
United States of America	208	418	-	-
Others	177	171	-	-
Total revenue from contracts with customers	204,656	208,058	-	-

20.2 Contract balances

	GROUP	
	2024	2023
	RM'000	RM'000
Trade receivables (Note 12)	44,548	45,371
Contract assets (Note 13)	55	139
Contract liabilities (Note 13)	(5,937)	(5,473)

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	
	2024	2023
	RM'000	RM'000
Direct operating costs from sales of goods	104,366	112,552
Hotel operation expenses	13,171	12,882
	117,537	125,434

22. PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
After charging:				
Accretion of interest on lease liabilities	108	95	-	-
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	238	209	36	28
- under provision in prior year	1	2	-	-
- assurance related services	3	3	3	3
- non-audit services	3	13	-	-
- Other auditors				
- statutory audit				
- current year	24	24	-	-
- under provision in prior year	-	2	-	-
Bad debts written off on trade receivables	-	67	-	-
Depreciation of:				
- Property, plant and equipment	8,387	8,871	-	-
- Right-of-use assets	1,646	1,162	-	-

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' fees				
- Executive directors	292	292	48	48
- Non-executive directors				
- Present directors	96	78	96	78
- Past directors	-	10	-	10
Expenses relating to leases of low value assets	59	52	-	-
Expenses relating to short term leases	453	716	-	-
Fair value loss on investment properties	-	90	-	-
Impairment loss on property, plant and equipment	871	-	-	-
Interest expenses on:				
- Bank overdrafts	81	140	2	7
- Bill payables	41	183	-	-
- Finance lease liabilities	1	16	-	-
- Term loans	237	468	-	-
Property, plant and equipment written off	15	201	-	-
Realised loss on foreign exchange	396	-	-	-
* Staff costs	55,326	51,758	-	-
Unrealised loss on foreign exchange	271	-	-	-
And crediting:				
Distribution income	1,769	1,194	-	-
Deposits forfeited	4	-	-	-
Fair value gain on:				
- Investment properties	80	-	-	-
- Quoted equity investments	691	137	-	-
- Short term funds	1,980	1,630	316	384
Gain on disposal of:				
- Property, plant and equipment	43	24	-	-
- Quoted equity investments	59	-	-	-
Gross dividend from quoted equity investments	343	255	-	-
Interest income	200	307	-	-
Realised gain on foreign exchange	25	727	-	-
Rental income	328	310	-	-
Unrealised gain on foreign exchange	-	647	-	-
	55,326	51,758	-	-
* Staff costs				
- Salaries, bonus, wages, overtime and allowances	49,494	46,232	-	-
- Defined contribution plan ("EPF")	5,072	4,645	-	-
- Social security contribution ("SOCSO") and employment insurance scheme ("EIS")	527	497	-	-
- Equity-settled share-based payments	233	384	-	-
	55,326	51,758	-	-

Directors' emoluments

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

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive directors of the Company:				
- Salaries, bonus and allowances	3,860	3,029	-	-
- EPF	659	518	-	-
- SOCSO and EIS	11	10	-	-
- Equity-settled share-based payments	-	31	-	-
Directors' emoluments included in the staff costs	4,530	3,588	-	-
- Benefits-in-kind	101	95	-	-
	4,631	3,683	-	-
Executive directors of the subsidiaries:				
- Salaries, bonus and allowances	3,001	2,931	-	-
- EPF	440	423	-	-
- SOCSO and EIS	7	8	-	-
- Equity-settled share-based payments	139	149	-	-
Directors' emoluments included in the staff costs	3,587	3,511	-	-
- Benefits-in-kind	51	49	-	-
	3,638	3,560	-	-
Total executive directors' emoluments	8,269	7,243	-	-

23. TAXATION

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Based on results for the financial year				
- Current tax				
- Malaysian income tax	(8,042)	(8,968)	-	-
- Deferred tax relating to the origination and reversal of temporary differences	(2,050)	5,850	-	-
	(10,092)	(3,118)	-	-
Over/(Under) provision in prior year				
- Current tax	331	(1,064)	*	*
- Deferred tax	209	257	-	-
	540	(807)	*	*
	(9,552)	(3,925)	*	*

* Represent RM1

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax	50,525	52,413	15,998	11,652
Less: Share of results of joint ventures	(1,986)	(4,833)	-	-
	48,539	47,580	15,998	11,652
Income tax at Malaysian statutory tax rate of 24%	(11,649)	(11,419)	(3,840)	(2,796)
Effect of tax rates in foreign jurisdiction	(16)	2	-	-
Income not subject to tax	1,690	963	3,919	2,875
Expenses not deductible for tax purposes	(1,298)	(1,416)	(79)	(79)
Effect of double deduction	112	99	-	-
Utilisation of reinvestment allowance	910	-	-	-
Utilisation of unrecognised unused tax losses and unabsorbed capital allowances	62	294	-	-
Deferred tax assets not recognised	(15)	(189)	-	-
Deferred tax assets recognised on unabsorbed investment tax allowance	-	8,455	-	-
Effect of real property gains tax applied on the fair value changes of the investment properties	(8)	(6)	-	-
Annual crystallisation of deferred tax on revaluation reserve	120	99	-	-
	(10,092)	(3,118)	-	-
Over/(Under) provision in prior year	540	(807)	*	*
	(9,552)	(3,925)	*	*

* Represents RM1

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax recognised:				
Property, plant and equipment	238	275	-	-
Unused tax losses	(3)	(21)	-	-
Unabsorbed capital allowances	(215)	(185)	-	-
Unabsorbed investment tax allowance	(20)	(69)	-	-
	-	-	-	-
Deferred tax assets not recognised:				
Unused tax losses	(8,022)	(8,280)	-	-
Unabsorbed capital allowances	(206)	(206)	(190)	(190)
Unabsorbed investment tax allowance	(49)	-	-	-
Other deductible temporary differences	(12)	-	-	-
	(8,289)	(8,486)	(190)	(190)

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

	GROUP		COMPANY	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	8,025	8,776	-	-
Unabsorbed capital allowances	746	904	190	190
Unabsorbed investment tax allowance	28,594	34,907	-	-
Unabsorbed reinvestment allowance	2,850	3,508	-	-

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 allowance will be disregarded in YA2043. The unused tax losses will be disregarded in the following YAs:

	GROUP	
	2024	2023
	RM'000	RM'000
YA 2029	2,185	3,834
YA 2030	1,763	1,763
YA 2031	1,924	1,924
YA 2033	249	257
YA 2034	669	669
YA 2035	560	-
	7,350	8,447

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	
	2024	2023
Profit for the financial year (RM'000)	40,973	48,488
Weighted average number of ordinary shares in issue ('000)	266,541	266,060
Basic earnings per share (sen)	15.37	18.22

(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 after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2024	2023
Profit for the financial year (RM'000)	40,973	48,488
Weighted average number of ordinary shares in issue ('000)	266,541	266,060
Adjustment for dilutive effect of ESOS ('000)	51	57
	266,592	266,117
Basic earnings per share (sen)	15.37	18.22

25. **DIVIDEND**

	GROUP AND COMPANY	
	2024	2023
	RM'000	RM'000
In respect of financial year ended 31 December 2023:		
- Single tier interim dividend of RM0.00375 per share	999	-
In respect of financial year ended 31 December 2022:		
- Single tier interim dividend of RM0.0025 per share	-	665
	999	665

On 24 February 2025, the Company has declared a single tier interim dividend of RM0.00375 per ordinary share amounting to RM1,000,115 in respect of the financial year ended 31 December 2024 and paid on 17 March 2025. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2025.

26. **CAPITAL COMMITMENTS**

	GROUP	
	2024	2023
	RM'000	RM'000
Contracted but not provided for		
- Property, plant and equipment	125	218
- Investment properties	38	177
	163	395

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
2024								
Revenue								
External sales	1,417	170,737	153	9,313	25,148	-		206,768
Inter-segment sales	-	3,492	630	-	174	(4,296)	A	-
Total revenue	1,417	174,229	783	9,313	25,322	(4,296)		206,768
Result								
Segment results	2,821	33,423	(156)	3,304	9,415	-		48,807
Finance costs								(468)
Finance income								200
Share of results of joint ventures								1,986
Profit before tax								50,525
Taxation								(9,552)
Profit for the financial year								40,973
Assets								
Segment assets	57,395	249,968	7,658	12,712	98,399	-		426,132
Investment in joint ventures								35,917
Deferred tax assets								5,663
Current tax assets								6,730
Total assets								474,442
Liabilities								
Segment liabilities	56	24,870	84	1,566	4,458	-		31,034
Deferred tax liabilities								12,528
Current tax liabilities								222
Total liabilities								43,784
Other segment information								
Additions to non- current assets	-	9,445	-	379	835	-	B	10,659
Depreciation	-	6,735	86	325	2,887	-		10,033
Non-cash (income)/ expenses other than depreciation	(1,766)	383	(81)	(7)	(582)	-	C	(2,053)

	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	144	12,182	22,867	-		209,570
Inter-segment sales	-	4,338	630	-	127	(5,095)	A	-
Total revenue	<u>824</u>	<u>177,891</u>	<u>774</u>	<u>12,182</u>	<u>22,994</u>	<u>(5,095)</u>		<u>209,570</u>
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								<u>4,833</u>
Profit before tax								52,413
Taxation								<u>(3,925)</u>
Profit for the financial year								<u>48,488</u>
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								<u>3,520</u>
Total assets								<u>438,542</u>
Liabilities								
Segment liabilities	161	27,660	151	2,124	5,794	-		35,890
Deferred tax liabilities								12,401
Current tax liabilities								<u>47</u>
Total liabilities								<u>48,338</u>
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)	(818)	96	47	(405)	-	C	(1,601)

Notes to segmental information:

A Inter-segment revenue are eliminated on consolidation.

B Additions to non-current assets consist of:

	2024 RM'000	2023 RM'000
Property, plant and equipment	8,571	5,679
Investment properties	296	705
Right-of-use assets	1,792	1,090
	<u>10,659</u>	<u>7,474</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:

	2024 RM'000	2023 RM'000
Accretion of interest on lease liabilities	108	95
Addition/(Reversal) of allowance for expected credit losses on:		
- Trade receivable	6	-
- Other receivable	(700)	-
Bad debts written off on trade receivables	-	67
Deposits forfeited	(4)	-
Equity-settled share-based payments	233	384
Fair value (gain)/loss on:		
- Investment properties	(80)	90
- Quoted equity investments	(691)	(137)
- Short term funds	(1,980)	(1,630)
Gain on disposal of:		
- Property, plant and equipment	(43)	(24)
- Quoted equity investments	(59)	-
Impairment loss on property, plant and equipment	871	-
Property, plant and equipment written off	15	201
Unrealised loss/(gain) on foreign exchange	271	(647)
	(2,053)	(1,601)

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	193,452	191,430	210,247	211,350
Asia Pacific	12,062	17,150	8,037	6,739
Europe	869	401	-	-
United States of America	208	418	-	-
Others	177	171	-	-
	206,768	209,570	218,284	218,089

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.

Related parties	Relationship
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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	13,000	10,800
Dividend income from a joint venture	-	-	1,000	-
Advances to subsidiaries	-	-	-	800
Accommodation fee paid to a subsidiary	-	-	6	-
Rental of premises paid to related parties:				
- Fame Pack Holdings Sdn. Bhd.	291	277	-	-
- Koay Boon Pee Holding Sdn. Bhd.	52	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.	713	722	-	-
Medical care and supplies paid to related parties:				
- Peoples Primary Healthcare Sdn. Bhd.	194	175	-	-
- Peoples Primary Pharmacy Sdn. Bhd.	4	16	-	-

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

Key management personnel are defined as 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors' fees	388	380	144	136
Salaries and other short-term employee benefits	9,058	7,805	-	-
EPF	1,431	1,240	-	-
Equity-settled share-based payments	191	232	-	-
	11,068	9,657	144	136
Analysed as:				
- Directors	8,657	7,623	144	136
- Key management personnel	2,411	2,034	-	-
	11,068	9,657	144	136

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	
	2024	2023
	'000	'000
Balance at beginning/end	15	15

	GROUP	
	Number of ESGS	
	2024	2023
	'000	'000
Balance at beginning	-	-
Granted	193	349
Vested	(193)	(349)
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				
2024				
Financial assets				
Other investments	174,017	166,240	-	7,777
Trade and other receivables, excluding prepayments	45,638	-	45,638	-
Cash and bank balances	24,638	-	24,638	-
	244,293	166,240	70,276	7,777

	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
GROUP				
2024				
Financial liabilities				
Borrowings	3,291	-	3,291	-
Trade and other payables, excluding SST and GST payable	18,062	-	18,062	-
	21,353	-	21,353	-
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
Financial liabilities				
Borrowings	9,042	-	9,042	-
Trade and other payables, excluding SST and GST payable	18,052	-	18,052	-
	27,094	-	27,094	-
COMPANY				
2024				
Financial assets				
Trade and other receivables	2	-	2	-
Other investments	57,465	57,465	-	-
Cash and bank balances	182	-	182	-
	57,649	57,465	184	-
Financial liability				
Trade and other payables	45	-	45	-
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				
Borrowings	117	-	117	-
Trade and other payables	36	-	36	-
	153	-	153	-

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 remains credit terms to the customers that range between **30 to 180 days** (2023: 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			
2024			
Not past due	34,555	-	34,555
1 to 30 days past due	6,159	-	6,159
31 to 60 days past due	2,292	-	2,292
61 to 90 days past due	780	-	780
More than 90 days past due	762	-	762
	9,993	-	9,993
Individually impaired	9	(9)	-
	44,557	(9)	44,548
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

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 **RM9,993,642** (2023: RM9,723,744) 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.

The Group has significant concentration of credit risk in the form of outstanding balance due from **2 customers** (2023: Nil) representing **29%** (2023: Nil) of the total trade receivables.

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			
2024			
Low risk	44,603	-	44,603
Individually impaired	9	(9)	-
	44,612	(9)	44,603
2023			
Low risk	45,510	-	45,510
Individually impaired	3	(3)	-
	45,513	(3)	45,510

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 for the low credit risk trade receivables 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 **RM112,860,000** (2023: RM146,860,000), of which the amount utilised as at the end of the reporting period was **RM14,956,617** (2023: RM20,554,290), 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 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				
2024				
<i>Non-derivative financial liabilities</i>				
Borrowings	3,291	3,456	2,357	1,099
Lease liabilities	1,832	1,913	1,382	531
Trade and other payables, excluding SST and GST payable	18,062	18,062	18,062	-
Total undiscounted financial liabilities	23,185	23,431	21,801	1,630
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
COMPANY				
2024				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	45	45	45	-
Financial guarantees *	-	14,957	14,957	-
Total undiscounted financial liabilities	45	15,002	15,002	-
2023				
<i>Non-derivative financial liabilities</i>				
Borrowings	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	-

* 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	-	238	-	-
Financial liabilities	-	2,461	-	-
Floating rate instruments				
Financial liabilities	3,291	6,581	-	117

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 FVTPL, 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	
	2024	2023
	RM'000	RM'000
USD	1,328	1,419
SGD	255	283
Others	(6)	18
Decrease in profit before tax	1,577	1,720
Decrease in equity	1,199	1,307

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 quoted 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	
	2024	2023
	RM'000	RM'000
Increase in profit before tax and equity of FVTPL	193	101
Increase in equity of FVOCI	389	328

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Increase in profit before tax and equity	1,624	1,273	575	382

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					
2024					
Financial asset					
Other investments	174,017	-	-	174,017	174,017
2023					
Financial asset					
Other investments	135,909	-	-	135,909	135,909

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
COMPANY					
2024					
Financial asset					
Other investments	57,465	-	-	57,465	57,465
2023					
Financial asset					
Other investments	38,243	-	-	38,243	38,243

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 the market comparison method.

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

Valuation techniques	Significant unobservable inputs	Range
2024		
Market comparison method	Difference in location, size, level, time, condition, tenure, facility and corner premium	-30% to 20%
2023		
Market comparison method	Difference in location, size, level, time, condition, tenure, facility and corner premium	-20% to 30%

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					
2024					
Financial asset					
Investment properties	-	-	24,820	24,820	24,820
2023					
Financial asset					
Investment properties	-	-	24,740	24,740	24,740

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total borrowings	3,291	9,042	-	117
Less: Cash and bank balances	(24,638)	(27,152)	(182)	(6,271)
Net cash	(21,347)	(18,110)	(182)	(6,154)
Total equity	430,658	390,204	210,085	194,851
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 issued; 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 RM	Number of ESOS			
			Balance at 1.1.2024	Exercised	Forfeited	Balance at 31.12.2024
I	21.7.2021	0.560	9,100	-	-	9,100
II	30.6.2022	0.465	32,409	(3,388)	(1,180)	27,841
III	19.10.2022	0.495	15,978	(500)	(1,000)	14,478

Existing ESOS	Grant date	Exercise price RM	Number of ESOS			
			Balance at 1.1.2023	Granted	Exercised	Balance at 31.12.2023
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

The weighted average fair value of ESOS during the financial year is **RM0.18** (2023: RM0.18).

The weighted average share price at the date of the ESOS exercised during the financial year is **RM0.91** (2023: RM Nil).

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)	2,268	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:

		----- Number of ESGS -----			
Existing ESGS	Grant date	Balance at 1.1.2024	Granted	Vested	Balance at 31.12.2024
I	12.7.2024	-	254,600	(254,600)	-
		----- Number of ESGS -----			
Existing ESGS	Grant date	Balance at 1.1.2023	Granted	Vested	Balance at 31.12.2023
I	16.6.2023	-	423,200	(423,200)	-
II	8.11.2023	-	164,000	(164,000)	-

The weighted average fair value of ESGS during the financial year is **RM0.9173** (2023: RM0.6542). The eligible persons will be awarded ordinary shares in the Company without any consideration payable by them.

**LIST OF PROPERTIES OWNED BY
PUBLIC PACKAGES HOLDINGS BERHAD AND ITS SUBSIDIARIES
AS AT 31 DECEMBER 2024**

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.24 RM
PUBLIC PACKAGES SDN. BHD.						
Plot 72 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 2.10.2047	Factory building	28.11.2007	35	22,509 / 11,516	908,615
Plot 96(A) Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 22.5.2050	Factory building	28.11.2007	35	32,356 / 5,688	1,163,736
Plot 96(B) Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 5.7.2054	Factory building	28.11.2007	28	16,985 / 9,979	423,700
Plot 67 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 14.8.2047	Factory and office building	28.11.2007	36	44,083 / 94,249	2,087,029
Plot 116 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 18.10.2055	Factory and office building	28.11.2007	30	84,183 / 7,317	1,751,106
Block F95 Taman Pelangi, Prai (10 units)	Leasehold 22.4.2092	Hostel	28.11.2007	28	- / 500 (per unit)	380,000

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.24 RM
PUBLIC PACKAGES (NT) SDN. BHD.						
Lot 5632 Mukim 11 (Nibong Tebal) Seberang Perai Selatan, Penang	Freehold	Factory Building	28.11.2007	30	-/ 137,152	12,048,590
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	35	43,738 / 38,474	1,432,688
A-1-3 Kelisa Apartment Lorong Kikik Satu, Taman Inderawasih, Seberang Perai	Freehold	Hostel	28.11.2007	32	-/ 726	59,400
Block F95 Taman Pelangi, Prai (10 units)	Leasehold 22.4.2092	Hostel	28.11.2007	28	-/ 500 (per unit)	380,000
Plot 468 Jalan Perusahaan Baru, Prai Industrial Estate, Penang	Leasehold 19.4.2049	Factory and office building	28.11.2007	35	93,329 / 77,727	3,285,434
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	30	261,361 / 140,924	9,175,467
PPH PRINTING & PACKAGING (KULIM) SDN. BHD.						
Plot 75 Kulim Industrial Estate Kulim, Kedah	Leasehold 21.9.2049	Factory and office building	28.11.2007	34	52,272 / 54,140	1,220,072

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.24 RM
PUBLIC PACKAGES PROPERTIES SDN. BHD.						
Lot 5632 Mukim 11 (Nibong Tebal) Seberang Perai Selatan, Penang	Freehold	Rental	31.12.2024	-	511,877 / -	6,578,000
84 Lebuhraya Kapal, Perai, Penang	Freehold	Rental	31.12.2024	39	1,389 / 2,800	520,000
5-2-4 Edgecumbe Court, Penang	Freehold	Rental	31.12.2024	35	- / 700	430,000
Unit SB15 Block A, No. 1 Persiaran Gurney, Penang	Freehold	Rental	31.12.2024	36	- / 1,815	1,300,000
Unit I-4-3 Taman Desa Relau, Penang	Freehold	Rental	31.12.2024	32	- / 700	270,000
Unit 368-2-04 Belisa Row Jalan Burma, Penang	Freehold	Rental	31.12.2024	29	- / 1,055	650,000
No. A-17-02, Verticas Residensi, off Jalan Ceylon, Kuala Lumpur	Freehold	Rental	31.12.2024	14	- / 2,111	1,650,000
Lot15 Jalan Utas 15/7 Section 15 40000 Shah Alam, Selangor	Leasehold 31.10.2070	Rental	31.12.2024	11	14,966 / 273	5,219,799
No.92A, Jalan Pisang Berangan, 11700 Glugor Penang	Leasehold 01.07.2117	Rental	31.12.2024	3	- / 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	48,403,026
Lot 741 & 743 Section 23 Bandar Georgetown Daerah Timur Laut, Penang	Freehold	Rental	31.12.2024	-	17,137	17,700,000
						119,336,662

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL as at 24 MARCH 2025

No. of shares	:	266,697,279 shares
Classes of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	3,529

SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees) as at 24 MARCH 2025

Name	No. of Ordinary Shares Held			
	Direct Interest	%	Indirect Interest	%
1. Fame Pack Holdings Sdn. Bhd.	108,558,408	40.71	-	-
2. Multiple Accomplishments Sdn. Bhd.	17,548,763	6.58	-	-
3. Koay Chiew Poh	10,445,251	3.92	118,002,407 *	44.25
4. Ooi Siew Hong	739,726	0.28	118,002,407 *	44.25
5. Koay Teng Liang	2,777,903	1.04	17,548,763 **	6.58
6. Koay Teng Kheong	2,184,910	0.82	17,548,763 **	6.58

Note:

* Deemed interested by virtue of Section 8 of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd. and Koay Boon Pee Holding Sdn. Bhd..

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

DIRECTORS' SHAREHOLDINGS as at 24 MARCH 2025

Name	No. of Ordinary Shares Held			
	Direct Interest	%	Indirect Interest	%
1. Koay Chiew Poh	10,445,251	3.92	119,017,549 (a)	44.63
2. Koay Chiew Kang	2,567,749	0.96	9,854,390 (b)	3.70
3. Koay Teng Liang	2,777,903	1.04	17,559,763 (c)	6.58
4. Koay Teng Kheong	2,184,910	0.82	17,559,763 (c)	6.58
5. Koay Chue Beng	938,860	0.35	9,443,999 (d)	3.54
6. Gooi Chye Soon	311,963	0.12	-	-
7. Nurjannah Binti Ali	-	-	-	-
8. Tang Boon Lee	11,519	0.01	-	-
9. Dr. Sek Weng Yew	-	-	-	-
10. 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 24 MARCH 2025

Holdings	No. of	%	No. of Shares	%
1 - 99	426	12.07	22,128	0.01
100 - 1,000	404	11.45	174,039	0.06
1,001 - 10,000	1,181	33.47	6,317,794	2.37
10,001 - 100,000	1,321	37.43	37,518,661	14.07
100,001 - 13,334,862 *	195	5.52	96,557,486	36.20
13,334,863 and above **	2	0.06	126,107,171	47.29
TOTAL	3,529	100.00	266,697,279	100.00

Remark: * Less than 5% of issued shares

** 5% and above of issued shares

THIRTY LARGEST SHAREHOLDERS as at 24 MARCH 2025

No.	Name	No. of Shares	%
1.	Fame Pack Holdings Sdn. Bhd.	108,558,408	40.71
2.	Multiple Accomplishments Sdn. Bhd.	17,548,763	6.58
3.	Koay Chiew Poh	10,445,251	3.92
4.	Koay Boon Pee Holding Sdn. Bhd.	9,443,999	3.54
5.	Tan Aik Choon	2,815,200	1.06
6.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Poh Kwee	2,595,000	0.97
7.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Kong Kok Choy (8092812)	2,300,080	0.86
8.	Lee Seow Chuan	1,928,000	0.72
9.	Koay Chiew Kang	1,911,753	0.72
10.	Koay Teng Liang	1,902,903	0.71
11.	Koay Teng Kheong	1,790,910	0.67
12.	Ooi Chin Hock	1,652,400	0.62
13.	Seik Thye Kong	1,500,000	0.56
14.	Loh Siew Hooi	1,444,100	0.54
15.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Gan Seong Liam	1,400,000	0.52
16.	Lee Keng Fah	1,346,900	0.51
17.	Do Hock Kwong	1,264,619	0.47
18.	Loh Chung Hai	1,220,000	0.46
19.	Tan Yau Lam	1,019,160	0.38
20.	Koay Chew Guan	999,951	0.38
21.	RHB Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Robert Wing-Yee Snashall	991,200	0.37
22.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For OCBC Securities Private Limited (Client A/C-NR)	980,900	0.37
23.	Koay Chue Beng	938,860	0.35
24.	Raymond Ong Kee Chuen	922,600	0.35
25.	Koay Teng Liang	875,000	0.33
26.	PM Nominees (Tempatan) Sdn. Bhd. Malpac Management Sdn. Bhd.	827,999	0.31
27.	Koay Chiew Lee	800,195	0.30
28.	Lim Pei Tiam @ Liam Ahat Kiat	800,000	0.30
29.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Kong Kok Choy (SRB/NPS)	800,000	0.30
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Puah Perng Yang	779,800	0.29
		181,803,951	68.17

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 38th 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 Monday, 26 May 2025 at 10.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To re-elect Mr. Koay Chiew Kang as a Director of the Company.		
2.	To re-elect Puan Nurjannah Binti Ali as a Director of the Company.		
3.	To re-elect Mr. Tang Boon Lee as a Director of the Company.		
4.	To re-elect Mr. Gooi Chye Soon as a Director of the Company.		
5.	To approve the payment of Directors’ Fees to Non-Executive Directors.		
6.	To approve the payment of Directors’ Fees to Executive Directors.		
7.	To approve the payment of Directors’ Benefits to Non-Executive Directors.		
8.	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company.		
9.	To authorise the Directors to allot and issue new shares in the Company.		

Please indicate with an “x” in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signed thisday of2025.

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 Exempt 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 38th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 13 May 2025. Only a depositor whose name appears on the Record of Depositors as at 13 May 2025 shall be entitled to attend the 38th AGM or appoint proxies to attend and/or vote on his/her behalf.

* Strike out whichever is not applicable

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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.

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PUBLIC PACKAGES HOLDINGS BERHAD 198701003743(162413-K)



Wisma Public Packages Lintang Kampung Jawa,
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