

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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PUBLIC PACKAGES HOLDINGS BERHAD

(Company No. 162413-K)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

In Relation To

- **PROPOSED CHANGE OF AUDITORS**

AND

- **NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Notice convening the Extraordinary General Meeting (“EGM”) of Public Packages Holdings Berhad which will be held at 3rd Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Friday, 20 August 2010 at 2.00 p.m. together with the Proxy Form are enclosed herein.

Shareholders are advised to complete and deposit the Proxy Form 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 forty-eight (48) hours before the time stipulated for holding the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Proxy Form:	Wednesday	18 August 2010	2.00 p.m.
Date and time of the EGM:	Friday	20 August 2010	2.00 p.m.

This Circular is dated 4 August 2010

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular: -

Board	The Board of Directors of PPHB and/or its subsidiaries
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
EGM	Extraordinary General Meeting
PPHB or the Company	Public Packages Holdings Berhad (162413-K)
PPHB Group or the Group	PPHB and its subsidiaries
Proposed Change of Auditors	Proposed appointment of Messrs Grant Thornton (AF 0042) in place of the resigning Auditors, Messrs Wong Liu & Partners (AF 0182) for the financial year ending 31 December 2010

TABLE OF CONTENTS

	Page
LETTER TO SHAREHOLDERS OF PPHB CONTAINING :-	
1. INTRODUCTION	4
2. DETAILS OF THE PROPOSED CHANGE OF AUDITORS	4
3. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS	5
4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST	5
5. EFFECTS OF THE PROPOSED CHANGE OF AUDITORS	5
6. APPROVAL REQUIRED	5
7. DIRECTORS' RECOMMENDATION	5
8. EGM	5
9. FURTHER INFORMATION	5
APPENDICES	
I LETTER OF RESIGNATION AS AUDITORS FROM MESSRS WONG LIU & PARTNERS	6
II NOTICE OF NOMINATION OF MESSRS GRANT THORNTON AS AUDITORS	7
III LETTER OF CONSENT TO ACT FROM MESSRS GRANT THORNTON	8
IV GENERAL INFORMATION	9
ENCLOSURES	
NOTICE OF EGM	10
PROXY FORM	11



PUBLIC PACKAGES HOLDINGS BERHAD

(Company No. 162413-K)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

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

Date : 4 August 2010

Board of Directors

Koay Chiew Poh (Executive Chairman)
Nurjannah Binti Ali
Ng Thim Fook
Koay Chue Beng
Koay Teng Liang
Ong Eng Choon

To : The Shareholders of Public Packages Holdings Berhad

Dear Sir/Madam

PROPOSED CHANGED OF AUDITORS (“PROPOSALS”)

1. INTRODUCTION

The Company had, on 26 July 2010 announced to Bursa Securities that Messrs Wong Liu & Partners has given notice in writing to the Directors of their intention to resign as Auditors of the Company. Their resignation will only take effect upon the appointment of another firm of Auditors.

In the same announcement, the Company had also stated that the Company has received a notice of nomination from a shareholders of the Company for the appointment of Messrs Grant Thornton as Auditors of the Company for the financial year ending 31 December 2010 in place of the resigning Auditors, Messrs Wong Liu & Partners, and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors.

The purpose of this Circular is to provide you with details of the Proposed Change of Auditors and to seek your approval for the ordinary resolution to be tabled at the forthcoming EGM.

2. DETAILS OF THE PROPOSED CHANGE OF AUDITORS

Messrs Wong Liu & Partners had, on 23 July 2010 given notice in writing to the Board of their intention to resign as Auditors of the Company. Their resignation will only take effect upon the appointment of another firm of Auditors.

On 26 July 2010, the Company had received a notice of nomination from a shareholder of the Company, Koay Boon Pee Holding Sdn Bhd (162243-M) for the appointment of Messrs Grant Thornton as Auditors of the Company for the financial year ending 31 December 2010 in place of the resigning Auditors, Messrs Wong Liu & Partners and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.

The Company had, on 26 July 2010 received the written consent of Messrs Grant Thornton to act as Auditors of the Company for the financial year ending 31 December 2010, if so appointed.

On 28 July 2010, the Board of PPHB resolved to convene an EGM of the Company on 20 August 2010, to obtain shareholders approval for the Proposed Change of Auditors.

3. RATIONALE OF THE PROPOSED CHANGE OF AUDITORS

The intended resignation of Messrs Wong Liu & Partners due to its firm internal restructuring exercise has created a vacancy for the office of Auditors of the Company. The proposed appointment of Messrs Grant Thornton is to fill this vacancy for the office of Auditors of the Company arising from the intended resignation of Messrs Wong Liu & Partners.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Change of Auditors.

5. EFFECTS OF THE PROPOSED CHANGE OF AUDITORS

The Proposed Change of Auditors will not have any effect on the share capital, major shareholders' shareholdings of PPHB and the net assets, gearings and earnings of the PPHB Group.

6. APPROVAL REQUIRED

The Proposed Change of Auditors is subject to approval of the shareholders of PPHB at the forthcoming EGM.

7. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Change of Auditors is of the opinion that it is in the best interest of PPHB and accordingly, recommend that you vote in favour of the resolution to give effect to the Proposed Change of Auditors at the forthcoming EGM.

8. EGM

An EGM, notice of which is enclosed in this Circular, will be held at 3rd Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Friday, 20 August 2010 at 2.00 p.m. for the purpose of considering and if thought fit, passing the resolution so as to give effect to the Proposed Change of Auditors.

If you are unable to attend and vote at the EGM in person, please complete and return the enclosed Proxy Form in accordance with the instructions therein as soon as possible and in any event, so as to arrive 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 forty-eight (48) hours before the time set for the meeting or any adjournment thereof. The lodging of the enclosed Proxy Form does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the appendices contained in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
Public Packages Holdings Berhad

NURJANNAH BINTI ALI
Independent Non-Executive Director
Cum Chairman of Audit Committee

APPENDIX I – LETTER OF RESIGNATION AS AUDITORS FROM MESSRS WONG LIU & PARTNERS

WONG LIU & PARTNERS

Chartered Accountants

(AF 0182)

60B, Jalan Sri Bahari,
10050 Penang, Malaysia.

Tel : 04-2635540

Fax : 04-2634953

Email : wlpdl@tm.net.my

*Associate Offices throughout
Malaysia and in principal
cities worldwide*

July 23, 2010

Our Ref: AUD-LMH

The Board of Directors
Public Packages Holdings Berhad
Wisma Public Packages
Plot G7 Lintang Kaupang Jawa
Bayan Lepas Industrial Estate
11900 Penang

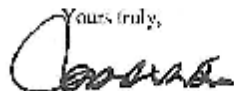
Dear Sirs,

RESIGNATION AS AUDITORS

Pursuant to Section 172(14) of the Companies Act 1965, we hereby tender our resignation as auditors of your company. Our resignation is solely due to our firm internal restructuring exercise and not any other reason. Our resignation shall take effect upon the appointment of another auditor.

We take this opportunity to thank the Board of Directors, the management and staff for the past support and co-operation given to us during our term in office.

Yours truly,



c.c. Corporate Accounts Monitoring Section
Companies Commission of Malaysia
Level 26, Menara SSM@Sentral
No. 7, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

c.c. Corporate Surveillance and Investigation Division
Bursa Malaysia Securities Berhad
Level 12 Bukit Kewangan
50200 Kuala Lumpur

APPENDIX II – NOTICE OF NOMINATION OF MESSRS GRANT THORNTON AS AUDITORS

KOAY BOON PEE HOLDING SDN BHD
(Company No. 162243-M)
60 Sri Bahari Road
10050 Penang

26 July 2010

The Board of Directors
PUBLIC PACKAGES HOLDINGS BERHAD
(Company No. 162413-K)
Wisma Public Packages,
Plot 671 Intang Kampung Jawa
Bayan Lepas Industrial Park
11000 Bayan Lepas
Penang

Dear Sirs,

NOTICE OF NOMINATION OF GRANT THORNTON (AF 0042)
FOR APPOINTMENT AS AUDITORS

"We, being a shareholder of Public Packages Holdings Berhad, hereby give notice, pursuant to Section 172(1*) of the Companies Act, 1965, of our intention to nominate Messrs Grant Thornton, Chartered Accountants, for appointment as Auditors of the Company in place of the resigning Auditors, Messrs Wong Liu & Partners and to propose the following ordinary resolution at an Extraordinary General Meeting to be convened at a date to be determined by the Board of Directors:-

"That the resignation of Messrs Wong Liu & Partners as Auditors of the Company be and is hereby accepted and in place thereof, Messrs Grant Thornton be and is hereby appointed as Auditors of the Company for the financial year ending 31 December 2010 and to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given for the Directors to determine their remuneration."

Yours faithfully,
for KOAY BOON PEE HOLDING SDN. BHD.



Koay Chiew Kang
Director



Our ref: aud/jl/twc/kc

26 July 2010

**The Board of Directors
Public Packages Holdings Berhad
Wisma Public Packages
Plot 67 Lintang Kampung Jawa
Bayan Lepas Industrial Estate
11900 Penang**

**Grant Thornton (AF:0042)
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia**

**T +6 (04) 228 7828
F +6 (04) 227 9828
www.gt.com.my**

Dear Sirs,

CONSENT TO ACT AS AUDITORS

We refer to your letter dated 26 July 2010 and hereby give our consent to act as auditors of your Company pursuant to Section 9 (6) of the Companies Act, 1965.

Yours faithfully,

A handwritten signature in cursive script that reads "Grant Thornton".

APPENDIX IV – GENERAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

The written consent of Messrs Wong Liu & Partners and Messrs Grant Thornton for the inclusion of their names and letters in the Circular in the form and context which they may appear, have been given and have not been subsequently withdrawn before the issue of this Circular.

3. MATERIAL CONTRACTS

As at the date of this Circular, neither the PPHB nor any of its subsidiary companies have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of the PPHB) during the two (2) years immediately preceding the date of this Circular.

4. MATERIAL LITIGATION

Save as disclosed below and as at the date of this Circular, neither PPHB nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the directors of PPHB are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the PPHB Group.

Public Packages Sdn. Bhd, ("PPSB") the wholly owned subsidiary of PPHB had filed a civil suit against Flextronics Technology (Penang) Sdn. Bhd. in year 2008 for an outstanding amount of RM1,815,527. PPSB had filed an application for Summary Judgment which was heard on 10 March 2010. On 14 April 2010, the Court dismissed the company's application for Summary Judgment and set the matter down for full trial. The case was set down for case management on 7 July 2010, but was vacated to a date to be informed by Court due to the public holiday in Penang on the 7 July 2010.

The directors are of the opinion that they have good grounds based on their solicitor's opinion to pursue the above case.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection from Monday to Friday (except public holidays) during normal office hours at the Registered Office of PPHB at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang from the date of this Circular up to the date of EGM:

- (a) the Memorandum & Articles of Association of PPHB;
- (b) Letter of Consent referred to in Section 2 above;
- (c) Letter of Resignation as Auditors from Messrs Wong Liu & Partners;
- (d) Notice of Nomination of Messrs Grant Thornton as Auditors;
- (e) Letter of Consent to Act as Auditors from Messrs Grant Thornton; and
- (f) The relevant cause papers in respect of the material litigation referred to in section 4 above.



PUBLIC PACKAGES HOLDINGS BERHAD

(Company No. 162413-K)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the an Extraordinary General Meeting of Public Packages Holdings Berhad will be held at 3rd Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Friday, 20 August 2010 at 2.00 p.m. for the following purpose: -

ORDINARY RESOLUTION

PROPOSED CHANGE OF AUDITORS

“That the resignation of Messrs Wong Liu & Partners as Auditors of the Company be and is hereby accepted and in place thereof, Messrs Grant Thornton be and is hereby appointed as Auditors of the Company for the financial year ending 31 December 2010 and to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given for the Directors to determine their remuneration.”

By Order of the Board

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Joint Secretaries

Penang
Dated: 4 August 2010

NOTES ON APPOINTMENT OF PROXY:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies' Act 1965 shall not apply to the Company.
2. To be valid, the Proxy Form duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. If the appointor is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its attorney.

PROXY FORM

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

of
(Address)

being * a member/members of Public Packages Holdings Berhad, hereby appoint

.....
(Full Name in Block Letters)

of.....
(Address)

or failing him, the Chairman of the meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company, to be held at 3rd Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Friday, 20 August 2010 at 2.00 p.m. and at any adjournment thereof.

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Change of Auditors		

Please indicate with an “X” in the appropriate box provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

The proportion of my holding to be represented by my proxies are as follows:-

First proxy	“A”	%
Second proxy	“B”	%
	100	%

In case of vote taken by a show of hand *first proxy “A” / second proxy “B” shall vote on my behalf.

No. of Shares Held:

Signature of Member(s)

Signed this day of2010

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, this form duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint up to (2) proxies to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

* Strike out whichever not desired

Fold along this line

AFFIX
STAMP



PUBLIC PACKAGES HOLDINGS BERHAD
(Company No. 162413-K)

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

Fold along this line