

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)

PART A

INFORMATION ON:

- **ANNUAL GENERAL MEETING**
- **eDIVIDEND**
- **FORMS**

PART B

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS'
MANDATE AND ADDITIONAL MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Notice convening the 23rd Annual General Meeting (“AGM”) 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, 21 May 2010 at 10.00 a.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 Form of Proxy:	Wednesday	19 May 2010	10.00 a.m.
Date and time of the AGM:	Friday	21 May 2010	10.00 a.m.

This Circular is dated 23 April 2010

DEFINITIONS

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

Act	The Companies Act, 1965, as amended from time to time, and any re-enactment thereof
AGM	Annual General Meeting
Board	The Board of Directors of PPHB and/or its subsidiaries
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
CMSA	The Capital Markets and Services Act 2007
Director	As defined in section 2(1) of the CMSA and for the purpose of the Proposals, this includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of PPHB or any other company which is a subsidiary of PPHB or a holding company of PPHB or a Chief Executive of PPHB, its subsidiary or holding company
EGM	Extraordinary General Meeting
Listing Requirements	Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
Major Shareholders	A person who has an interest or interests in one (1) or more voting shares in PPHB and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is : (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in PPHB; or (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of PPHB. For the purpose of the Proposals, this includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of PPHB as defined above or any other company which is a subsidiary of PPHB or a holding company of PPHB
PPHB or the Company	Public Packages Holdings Berhad (162413-K)
PPHB Group or the Group	PPHB and its subsidiaries
Proposed Renewal of Shareholders' Mandate	Proposed renewal of the 2009 shareholders' mandate
Existing Shareholders' Mandate	The shareholders' mandate obtained on 22 May 2009 for PPHB Group to enter into Recurrent Related Party Transactions
Proposed Additional Shareholders' Mandate	Proposed additional shareholders' mandate for PPHB Group to enter into Recurrent Related Party Transactions
Proposals	Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate
Recurrent Related Party Transactions	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group and are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders.

Related Party(ies)	A director, major shareholder or person(s) connected with such director or major shareholder of PPHB
Related Party Transaction	A transaction entered into by the PPHB Group which involves the interest, direct or indirect, of a Related Party
RM	Ringgit Malaysia
Shares	Ordinary shares of RM0.50 each

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PART A

INFORMATION ON :

- | |
|---|
| <ul style="list-style-type: none">❖ ANNUAL GENERAL MEETING❖ eDIVIDEND❖ FORMS |
|---|



PUBLIC PACKAGES HOLDINGS BERHAD

(Company No. 162413-K)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 23rd Annual 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, 21 May 2010 at 10.00 a.m. for the following purposes: -

AGENDA:

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors' and Auditors' thereon. Please refer to Explanatory Note 1
2. To approve the payment of a first and final tax exempt dividend of 5% per share for the financial year ended 31 December 2009. Resolution 1
3. To re-elect the following Directors retiring pursuant to Article 80 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
 - i) Mr. Koay Chiew Poh Resolution 2
 - ii) Mr. Ng Thim Fook Resolution 3
4. To approve the payment of Directors' fees of not exceeding RM 250,000 for the financial year ending 31 December 2010. Resolution 4
5. To re-appoint Messrs. Wong Liu and Partners as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 5

As Special Business

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

ORDINARY RESOLUTIONS

6. Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for listing of and quotation for the additional shares to be issued."

Resolution 6

7. Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature Involving Koay Chiew Poh, Koay Chue Beng, Koay Teng Liang and Ooi Siew Hong

"That, subject always to the provisions of the Companies Act, 1965 ("the Act"), the Memorandum & Articles of Association of the Company, the requirements of Bursa Malaysia Securities Berhad and/or any other regulatory authorities, approval be and is hereby given for the Company and/OR its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business involving Koay Chiew Poh, Koay Chue Beng, Koay Teng Liang and Ooi Siew Hong which are necessary for the day-to-day operations of the Company and its subsidiaries as specified in Section 2.2 (a) of the Company's Circular to Shareholders dated 23 April 2010 ("Circular") on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that authority conferred by this resolution shall take effect immediately upon the passing of this resolution and the shareholders' mandate shall continue to be in full force until:

- (a) the conclusion of the next annual general meeting ("AGM") of the Company following the AGM at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act), or
- (c) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier:

And that, authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.

Resolution 7

8. Proposed Additional Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature Involving Nurjannah Binti Ali

"That, subject always to the provisions of the Companies Act, 1965 ("the Act"), the Memorandum & Articles of Association of the Company, the requirements of Bursa Malaysia Securities Berhad and/or any other regulatory authorities, approval be and is hereby given for the Company and/OR its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business involving Nurjannah Binti Ali which are necessary for the day-to-day operations of the Company and its subsidiaries as specified in Section 2.2 (b) of the Company's Circular to Shareholders dated 23 April 2010 ("Circular") on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that authority conferred by this resolution shall take effect immediately upon the passing of this resolution and the shareholders' mandate shall continue to be in full force until:

- (a) the conclusion of the next annual general meeting ("AGM") of the Company following the AGM at which the ordinary resolution for the Proposed Additional Shareholders' Mandate was passed, at which time it will lapse unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act), or
- (c) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier:

And that, authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.

Resolution 8

9. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 23rd Annual General Meeting of Public Packages Holdings Berhad to be held on Friday, 21 May 2010, a first and final tax exempt dividend of 5% per share for the financial year ended 31 December 2009 will be paid on Thursday, 17 June 2010 to depositors who are registered in the Record of Depositors of the Company on Tuesday, 8 June 2010.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on Tuesday, 8 June 2010 in respect of an ordinary transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LIM SAW IM (MACS 00363)
Company Secretary

Penang
Dated: 23 April 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.

EXPLANATORY NOTES

On Ordinary Business

1. This Agenda 1 is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders of the Company and hence, Agenda 1 is not put forward for voting.

On Special Business

2. The Resolution 6, if passed, will give the Directors of the Company authority to issue shares in the Company up to an aggregate amount not exceeding 10% of the total issued capital of the Company for the time being 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 general meeting, will expire at the conclusion of the next Annual General Meeting.

The general mandate for issue of shares is a renewal. As at the date of notice of meeting, no shares has been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.

3. The Resolutions 7 and 8, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company, particulars of which have been disclosed in the Circular to Shareholders dated 23 April 2010 which have been dispatched together with the Company's 2009 Annual Report.

INFORMATION ON eDIVIDEND

Dear Shareholder,

We are pleased to inform you that Public Packages Holdings Berhad (“the Company”) will be implementing eDividend to shareholders in the third quarter of 2010 in compliance to the guidelines given by Bursa Securities. The eDividend refers to the payment of cash dividends by a listed issuer directly into the shareholders’ bank accounts. One of the main objectives of implementing eDividend is to promote greater efficiency of the payment system which is aligned to the national agenda of migrating to electronic payment.

1. Benefit of eDividend

- 1.1 eDividend extends to all companies listed on Bursa Malaysia Securities Berhad (“**listed issuers**”) and provides, amongst others, faster access to your cash dividends, eliminates the inconvenience of having to deposit the dividend cheques and problems such as misplaced, lost or expired cheques, and unauthorized deposit of dividend cheques.
- 1.2 For those shareholders who have previously opted for direct crediting of dividend entitlement via GIRO Service with the Company, you will still need to register for eDividend to enjoy the following additional benefits:-
 - (a) the convenience of a one-off registration for entitlement to eDividend from all listed issuers; and
 - (b) the option to consolidate the dividends from all your Central Depository System (“**CDS**”) accounts into one bank account for better account management.

2. Registration for eDividend

- 2.1 Registration for eDividend will commence on **19 April 2010** for a period of 1 year until 18 April 2011, at no cost to the shareholders. If you register after the 1 year period, an administrative charge will be imposed.

To register for eDividend, you are required to provide to Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”) through your stock broker, your bank account number and other information by completing the prescribed form. This form can be obtained in due course from your stock broker’s office where your CDS account is maintained, or downloaded from Bursa Malaysia’s website at <http://www.bursamalaysia.com>.

- 2.2 You need to submit to your stock broker’s office where your CDS account maintained, the duly completed prescribed form and the following for registration:-

- (a) Individual depositor: Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents. Original documents must be produced for your stock broker’s verification;

Corporate depositor; Certified true copy of the Certificate of Incorporation/Certificate of Registration; and

- (b) Copy of your bank statement / bank savings book / details of your bank account obtained from your banks website that has been certified by your bank / copy of letter from your bank confirming your bank account particulars. For individuals, original documents must be produced for your stock broker’s verification. For corporate entities, a certified true copy is to be submitted.

If the CDS account is held in the name of a nominee, the nominee will register for the eDividend.

- 2.3 If you are not able to be present at your stock broker’s office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents have been witnessed by an acceptable witness specified by Bursa Depository. In this regard, an acceptable witness includes an Authorised Officer of your stock broker, a Dealer’s Representative, a notary public and an Authorised Officer of the Malaysian Embassy/High Commission.

3. Notification of eDividend payment after registration

- 3.1 You are encouraged to provide in the prescribed form to Bursa Depository both your mobile phone number and e-mail address, if any. This is to enable the Company to issue electronic notification to you either via e-mail or sms, at the discretion of the Company, once the Company has paid the cash dividend out of its account. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax certificate.

4. Additional information for shareholders

- 4.1 Your savings or current account, must be an active bank account, maintained with a local bank under your name or in the case of a joint account, had your name as one of the account holders. It must also be a bank account with a financial institution that is a member of the Malaysian Electronic Payment System Inter-Bank GIRO (IBG) set out below, which can be found on this website: http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer

- | | |
|---------------------------------------|--|
| 1. Affin Bank Bhd | 12. EON Bank Bhd |
| 2. Alliance Bank Malaysia Bhd | 13. Hong Leong Bank Bhd |
| 3. AmBank (M) Bhd | 14. HSBC Bank Malaysia Bhd |
| 4. Bank Islam Malaysia Bhd | 15. Malayan Banking Bhd |
| 5. Bank Muamalat Malaysia Bhd | 16. OCBC Bank (Malaysia) Bhd |
| 6. Bank Kerjasama Rakyat Malaysia Bhd | 17. Public Bank Bhd |
| 7. Bank of America | 18. RHB Bank Bhd |
| 8. Bank Simpanan Nasional | 19. Standard Chartered Bank Malaysia Bhd |
| 9. CIMB Bank Bhd | 20. The Royal Bank of Scotland Bhd |
| 10. Citibank Bhd | 21. United Overseas Bank (Malaysia) Bhd |
| 11. Deutsche Bank Bhd | |

- 4.2 Your bank account particulars and other related information is protected under the Securities Industry (Central Depositories) Act 1991 which strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. For eDividend purposes, you will be authorising disclosure of your bank account particulars and other related information to persons necessary to facilitate the eDividend such as the Company, the share registrar and the appointed paying banks.

- 4.3 Once you have registered for eDividend, any cash dividend entitlement of which the books closure date is announced by the Company on or after 1 September 2010, shall be paid to you via eDividend.

We look forward to a successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders. Shareholders should refer to the relevant terms and conditions, laws, regulations and rules pertaining to the eDividend services which are available at Bursa Malaysia Berhad's website at www.bursamalaysia.com.

FORMS

PAGE 13 - Request for 2009 Annual Report in Hard Copy

PAGE 15 - Proxy Form

Request for 2009 Annual Report in Hard Copy

Public Packages Holdings Berhad (Company No. 162413-K)

Wisma Public Packages
Plot 67 Lintang Kampong Jawa
Bayan Lepas Industrial Estate
11900 Bayan Lepas Penang
Tel: 604-6444888; Web page: www.pph.com.my
Fax: 604-6436699; E-mail: bm@pph.com.my
Attention: Mr. Wong Soo Fook

Please send me/us a printed copy of the 2009 Annual Report.

Particulars of Shareholder : -

Name of Shareholder(s) : _____
I.C. No. / Passport No. / Company No. : _____
CDS Account No. : _____
Total No. of Shares held by Shareholder(s) : _____

I/We, being a member/members of Public Packages Holdings Berhad hereby request for a copy of the 2009 Annual Report to be forwarded to the following address: -

Signature of Shareholder (*) : _____
Telephone No. : _____
Date : _____

() If the Shareholder is a body corporate, this form shall be signed by a director or secretary of the body corporate.*

Minimum System Requirements:

PC
Window 98™ or later
Pentium II Processor recommended
32MB RAM or more
MAC Power Macintosh and above
32MB RAM or more

Notes:

1. PUBLIC PACKAGES HOLDINGS BERHAD shall forward a hard copy of the 2009 Annual Report (2009AR-PPHB) to the shareholder(s) within 4 market days from the date of receipt of the written request from the shareholder(s).

2. All correspondence and/or request shall be forwarded to:

PUBLIC PACKAGES HOLDINGS BERHAD
Wisma Public Packages, Plot 67 Lintang Kampong Jawa,
Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang.
Tel: 604-6444888; Web page: www.pph.com.my
Fax: 604-6436699; E-mail: bm@pph.com.my
Attention: Mr. Wong Soo Fook

Application Requirements:

Adobe Acrobat Reader™ 4.0 or later

For PC user:

Double click on "My Computer"
Double click on "CD-ROM drive"
Double click on icon marked "2009AR-PPHB"

For MAC user:

Double click on "2009AR-PPHB"

3. While every effort has been taken to test this CD-ROM and its contents on PCs with different software & hardware configurations, we cannot guarantee that there will not be any software & hardware conflicts. Therefore, you are advised to back up your files from your PC before using this CD-ROM. Public Packages Holdings Berhad and its associates are not liable for any incident, special, indirect or consequential damages caused by the use of this CD-ROM.

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

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

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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 23rd Annual 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, 21 May 2010 at 10.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTION	1	2	3	4	5	6	7	8
FOR								
AGAINST								

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

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

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

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PART B
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE



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 : 23 April 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 RENEWAL OF SHAREHOLDERS' MANDATE AND ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("THE PROPOSALS")

1. INTRODUCTION

At the 22nd AGM of the Company held on 22 May 2009, the Board had obtained a shareholders' mandate for recurrent related party transactions of revenue or trading nature. The authority conferred by the shareholders at the 22nd AGM will expire at the conclusion or adjournment of the forthcoming 23rd AGM to be held on 21 May 2010 unless the authority is renewed.

In view of the above, the Board had, on 2 April 2010 and 12 April 2010 announced to Bursa Securities that the Board proposes to seek a renewal of shareholders' mandate as well as additional mandate to allow the PPHB Group, in the normal course of business, to enter into recurrent related party transactions of a revenue or trading nature provided that such transactions are made at arm's length, on the Group's normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

The purpose of this Circular is to provide you with details of the Proposals and to seek your approval for the resolutions on the Proposals to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSALS

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Board may seek a shareholders' mandate in respect of Recurrent Related Party Transactions subject to the following;

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;

- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the year where:
- (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds Ringgit Malaysia One Million (RM 1,000,000); or
 - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds one percent (1%);
- whichever is the lower;
- (c) the issuance of circular to shareholders for the shareholders' mandate shall include information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information; and
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.
- (e) immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transactions entered into exceeds the estimated value of the recurrent Related Party Transactions disclosed in the circular by 10% or more and to include the information as may be prescribed by the Bursa Securities in its announcement.

The shareholders' mandates on the Proposals are subject to annual renewal. In this respect, any authority conferred by the shareholders' mandates on the Proposals will only continue to be in full force until: -

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of PPHB after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to section 143(2) of Act); or
- (c) revoked or varied by resolution passed by the shareholders in an AGM or EGM,

whichever is the earlier.

2.1 PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

The principal activities of PPHB are investment holding and the provision of financial, administrative and advisory services.

The particulars of its subsidiary companies and their principal activities are as follows:

Name of Company	Effective Equity Interest (%)	Principal Activities
Public Packages Sdn. Bhd.	100.00	Manufacturing and retailing of corrugated cartons and packing materials
PPH Printing & Packaging (Penang) Sdn. Bhd.	100.00	Manufacturing of offset printed display boxes
PPH Printing & Packaging (Kulim) Sdn. Bhd.	100.00	Manufacturing of gift and display boxes
Public Packages Properties Sdn. Bhd.	100.00	Property investment

Name of Company	Effective Equity Interest (%)	Principal Activities
PPH Paper Products Sdn. Bhd.	100.00	Design and sale of paper products
PPH Plaza Sdn. Bhd.	100.00	Property Development
Public Packages Asia Sdn. Bhd.	100.00	Retailing of paper products and packing materials
Public Packages (NT) Sdn. Bhd.	100.00	Manufacturing of corrugated cartons
Public Packages (Port Kelang) Sdn. Bhd.	100.00	Dormant
Public Packages (Kelantan) Sdn. Bhd.	100.00	Dormant
NT Industrial Park (M) Sdn. Bhd.	100.00	Property development and civil construction work
Public Packages (Shah Alam) Sdn. Bhd.	100.00	Manufacturing and sales of corrugated cartons and packing materials
PPH Resources Sdn. Bhd.	100.00	Investment holding
Public Packages (Prai) Sdn. Bhd.	100.00	Manufacturing and retailing of corrugated cartons and packing materials
Tharco Container (Malaysia) Sdn. Bhd.	100.00	Retailing of corrugated cartons, display boxes and packing materials
PPH Displays Design Sdn. Bhd.	100.00	Trading of paper products
PPH Management (M) Sdn. Bhd.	100.00	Provision of management services
Public Packages Asia (S) Pte. Ltd.	100.00	Total packaging solutions provider
Public Packages Asia (Thailand) Company Limited	100.00	Manufacturing of paper boxes and packing materials
Top Matrix Portfolio Sdn. Bhd.	70.00	Investment holding
Public Packages Philippines Inc.	70.00	Dormant
PPH Technology (M) Sdn. Bhd.	60.00	Investment holding

2.2 CLASS OF RELATED PARTIES AND THE NATURE OF RECURRENT RELATED PARTY TRANSACTIONS CONTEMPLATED UNDER THE MANDATE

2.2 (a) For Renewal of Shareholders Mandate

PPHB/ subsidiaries involved	Name of Related Party	Relationship	Nature of Transaction	Estimated value from May 2010 to the next AGM expected to be held in May 2011
				RM'000
Public Packages (Prai) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of carton boxes	300
	City Packaging Industry Sdn. Bhd. - Seller	N2	Purchase of carton boxes to supplement company's own production whenever it reaches its full capacity	100
	- Buyer		Sale of carton boxes	500
	Tompac Industrial Sdn. Bhd. - Buyer	N1	Sale of paper boards	100
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50
Public Packages (NT) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of carton boxes	800
	City Packaging Industry Sdn. Bhd. - Seller	N2	Purchase of carton boxes to supplement company's own production whenever it reaches its full capacity	100
	- Buyer		Sale of carton boxes	700
	Tompac Industrial Sdn. Bhd. - Buyer	N1	Sale of paper boards and carton boxes	150
	- Seller		Purchase of carton boxes to supplement company's own production whenever it reaches its full capacity	50

PPHB/ subsidiaries involved	Name of Related Party	Relationship	Nature of Transaction	Estimated value from May 2010 to the next AGM expected to be held in May 2011
				RM'000
Public Packages (NT) Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	100
PPH Printing & Packaging (Penang) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of retail boxes	2,000
	Teckwah Paper Products Sdn. Bhd. - Buyer	N1	Sale of retail boxes	1,000
	- Seller		Sub-contract of printing work by Teckwah Paper Products Sdn. Bhd.	500
	- Buyer		Sub-contract of printing work to Teckwah Paper Products Sdn. Bhd.	500
	- Seller		Purchase of raw materials ie Duplex to produce offset printed display boxes	300
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50
PPH Displays Design Sdn. Bhd.	Fame Pack Holdings Sdn. Bhd. - Landlord	N3	Rent of property for staff accommodation (^)	40
PPH Printing & Packaging (Kulim) Sdn. Bhd.	Teckwah Paper Products Sdn. Bhd. - Seller	N1	Sub-contract of printing work by Teckwah Paper Products Sdn Bhd	200
	- Buyer		Sale of retail boxes	100
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50
PPHB	Teckwah Value Chain Sdn Bhd	N1	Accounting, administrative and advisory services rendered	300

(^) The tenancy is for a period of two (2) years and the rental is payable on a monthly basis.

PPHB/ subsidiaries involved	Name of Related Party	Relationship	Nature of Transaction	Estimated value from May 2010 to the next AGM expected to be held in May 2011
				RM'000
Public Packages (Shah Alam) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of carton boxes	2,000
	Tompac Industrial Sdn. Bhd. - Seller	N1	Purchase of carton boxes to Supplement company's own Production whenever it reaches its full capacity	200
	Tompac Industrial Sdn. Bhd. - Buyer	N1	Sale of carton boxes	200
Public Packages Asia (S) Pte. Ltd.	Fame Pack Holdings Sdn. Bhd. - Landlord	N3	Rent of office lot (*)	90
Public Packages Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	100
PPH Management (M) Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50
Public Packages Asia Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50
	Fame Pack Holdings Sdn. Bhd -Landlord	N3	Rent of property for staff accommodation (*)	80

(*) The tenancy is for a period of two (2) years and the rental is payable on a monthly basis.

2.2 (b) For Additional Shareholders Mandate

PPHB/ subsidiaries involved	Name of Related Party	Relationship	Nature of Transaction	Estimated value from May 2010 to the next AGM expected to be held in May 2011
				RM'000
Public Packages Sdn. Bhd.	Infinite Network Sdn. Bhd. - Seller	N5	Sub-contract of printing work by Infinite Network Sdn. Bhd.	1,200

Mr. Koay Chiew Poh (“KCP”) is a director and major shareholder of PPHB. Madam Ooi Siew Hong (“OSH”) is the spouse of KCP and a major shareholder of PPHB. Both Mr. Koay Chue Beng (“KCB”) and Mr. Koay Teng Liang (“KTL”) are directors of PPHB.

The family relationship between the directors, major shareholders and persons connected to directors and/or major shareholders of PPHB are as follows: -

- (a) OSH is the spouse of KCP
- (b) KTL is the son of KCP and OSH
- (c) KCP and KCB are brothers.

They are interested in the transactions due to the following: -

- N1 Teckwah Paper Products Sdn. Bhd., Tompac Industrial Sdn. Bhd. and Teckwah Value Chain Sdn. Bhd. are the wholly-owned subsidiaries of PPH Teckwah Value Chain Sdn. Bhd. (“PTVC”).

PTVC is a 50% joint-venture company between PPH Paper Products Sdn. Bhd. (“PPHPP”) and third parties. PPHPP is a wholly-owned subsidiary of PPHB. KCP who is a major shareholder of PPHB being the common director of PPHB and PTVC, is deemed to have interest in these companies.

- N2 Mr. Ooi Teong Huat is the substantial shareholder of City Packaging Industry Sdn. Bhd. and he holds 99% of the total and issued paid-up capital of City Packaging Industry Sdn. Bhd. Mr. Ooi Teong Huat is the brother of OSH, the brother-in-law of KCP and KCB, and the uncle of KTL.

Both City Packaging Industry Sdn. Bhd. and Mr. Ooi Teong Huat do not hold shares in PPHB.

- N3 Fame Pack Holdings Sdn. Bhd. is a major shareholder of PPHB of which both KCP and OSH who are directors and major shareholders of PPHB have interest.

- N4 KTL is a director and major shareholder of PPH Multimedia Network Sdn. Bhd. KTL holds 40% of the total paid up capital of PPH Multimedia Network Sdn. Bhd.

Whilst, Koay Boon Pee Holding Sdn. Bhd. (“KBPH”) is a major shareholder of PPH Multimedia Network Sdn. Bhd. of which KCP and KCB are directors and shareholders of KBPH.

- N5 Puan Nurjannah Binti Ali is the Independent Non-Executive Director of PPHB and she is also the ultimate shareholder and director of Infinite Network Sdn. Bhd.

2.3 RATIONALE OF THE PROPOSALS

The Related Parties are both, good customers as well as reliable suppliers of goods and services required by the Company. The goods and services are priced competitively and all transactions are based on normal commercial terms not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders. Due to the Related Parties’ in depth understanding of the PPHB Group and the packaging industry, prompt and better services in terms of delivery and reliability are guaranteed. Quality of goods delivered also ensured.

The Recurrent Related Party Transactions are intended to meet the business needs of the Group at the best possible terms as well as to explore beneficial business opportunities.

By obtaining the shareholders' mandate and the renewal of the same on an annual basis would eliminate the need to announce and convene separate general meetings from time to time to seek shareholders' approval as and when potential Recurrent Related Party Transactions arises. This will reduce substantially administrative time and cost in convening such meetings without compromising the Group's corporate objectives and business opportunities.

2.4 METHODS AND PROCEDURES ESTABLISHED TO MONITOR RECURRENT RELATED PARTY TRANSACTIONS

2.4.1 Review Procedures

The Group had established and implemented the following guidelines and review procedures to ensure that Recurrent Related Party Transactions are not to the detriment of minority shareholders and are undertaken on arm's length and are on normal commercial terms which are on terms not more favourable to the Related Parties than those extended to third parties/public: -

- i) All directors and major shareholders have to declare their interests in any transaction between them or the persons connected to them with the PPHB Group.
- ii) A register is maintained on Recurrent Related Party Transactions.
- iii) Before the transactions are entered into, the internal auditors are to review the terms of Recurrent Related Party Transactions to ensure that they are conducted at arm's length and based on normal commercial terms not more favourable to the Related Parties than those generally available to the public, consistent with the Group's usual business practices and policies and will not be detrimental to minority shareholders.
- iv) Before the transactions are entered into, the Audit Committee is to review the terms of the Recurrent Related Party Transactions and to provide a statement that it has reviewed and is satisfied with the review procedures to the extent that the procedures are relevant and sufficient to ensure that such Recurrent Related Party Transactions will be carried out on normal commercial terms not more favourable to the Related Parties than those generally available to the public and which are not detrimental to the interests of minority shareholders.
- v) Where a transaction is with a value of more than RM 300,000, it will be reviewed and approved by the Board. And whereas, if a transaction value is RM 300,000 or less, it will be reviewed and approved by senior managers in respective subsidiaries who has no interest in the transaction.
- vi) The transactions prices, terms and conditions are determined by market forces of supply and demand under similar, commercial terms for transactions with third parties. In addition, at least two (2) other contemporaneous transactions with unrelated third parties will be obtained by the Company's purchasing department for the similar products/services and/or quantities to be transacted for comparison purposes. Ceteris paribus, the Company will buy from the supplier with the lowest price and comply with the quality and prompt delivery as requested by the Company. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Company will ensure that the terms and conditions quoted by the related parties are fair and justify to the best interest of the Company, in particular not to the detrimental of the Company, its group of companies and minority shareholders of the Company.

2.4.2 Abstention From Voting

- i) Where any of the directors has an interest (direct or indirect) in any Recurrent Related Party Transactions, such director shall abstain from voting and deliberating at Board Meetings in respect of the Recurrent Related Party Transactions in which he is interested.
- ii) Where any member of the Audit Committee is interested in any transaction, such member shall abstain from voting on any matter relating to any decisions to be taken by the Audit Committee in respect of the Recurrent Related Party Transactions in which he/she is interested.

- iii) Any interested director and/or interested major shareholder must ensure that persons connected with them abstain from voting on the resolution approving the Recurrent Related Party Transactions at general meetings.

2.4.3 Disclosure

Disclosure has been made in the 2009 Annual Report of PPHB based on the following: -

- i) the aggregate value of Recurrent Related Party Transactions contemplated pursuant to the 2009 shareholders' mandate during the financial year ended 31 December 2009 where: -
- (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds Ringgit Malaysia One Million (RM 1,000,000); or
 - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds one percent (1%);
- whichever is the lower,
- ii) the type of Recurrent Related Party Transactions made; and
- iii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with PPHB.

Similar disclosure will be made in the Annual Reports for the subsequent financial years during which the shareholders' mandates on the Proposals are still valid and continue to be in full force.

2.5 STATEMENT BY AUDIT COMMITTEE

The Audit Committee have seen, reviewed and is satisfied with the review procedures mentioned in sub-section 2.4.1 above and is of the opinion that the procedures, processes and the half yearly review procedures including the monitoring, tracking and identifying processes are sufficient and in a timely and orderly manner to ensure that the Recurrent Related Party Transactions are carried out on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST IN PPHB GROUP

Interested Directors' Shareholdings

The details of interested directors' shareholdings in PPHB as at 26 March 2010 are as follows: -

Interested Directors	Direct No. of Shares	%	Indirect No. of Shares	%
Koay Chiew Poh	4,226,480	3.85	49,167,670 a	44.74
Koay Chue Beng	358,692	0.33	3,935,000 b	3.58
Koay Teng Liang	46,664	0.04	-	-
Nurjannah Binti Ali	-	-	-	-

The interested directors, namely Messrs. Koay Chiew Poh, Koay Chue Beng, Koay Teng Liang and Nurjannah Binti Ali have and will continue to abstain from Board deliberations and voting in relation to the Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate respectively. And accordingly, they will also abstain from voting in respect of their direct and indirect shareholdings in PPHB on the resolution approving the Proposals at the forthcoming AGM.

Interested Major Shareholders' Shareholdings

The details of interested major shareholders' shareholdings in PPHB as at 26 March 2010 are as follows:

Interested Major Shareholders	Direct No. of Shares	%	Indirect No. of Shares	%
Koay Chiew Poh	4,226,480	3.85	49,167,670 a	44.74
Ooi Siew Hong	-	-	49,167,670 a	44.74
Fame Pack Holdings Sdn. Bhd.	45,232,670	41.16	-	-

As interested major shareholders, namely Mr. Koay Chiew Poh, Madam Ooi Siew Hong and Fame Pack Holdings Sdn. Bhd. will abstain from voting in respect of their direct/indirect shareholdings in PPHB on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Mr. Koay Chiew Poh and Madam Ooi Siew Hong are deemed to have interests in the subsidiary companies by virtue of their interests in PPHB.

Notes :

- a. *Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Fame Pack Holdings Sdn. Bhd. and Koay Boon Pee Holding Sdn. Bhd.*
- b. *Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Koay Boon Pee Holding Sdn. Bhd.*

Save as disclosed above, as at 26 March 2010, none of the other directors, major shareholders and/or persons connected with the directors and/or major shareholders as defined in the Listing Requirements have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate.

The interested directors and interested major shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting on the respective resolution, deliberating or approving the transactions at the forthcoming AGM.

4. EFFECTS OF THE PROPOSALS

The Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate will not have any impact on the share capital and major shareholders' shareholdings of PPHB and it will not have any significant impact on the net assets and earnings of the PPHB Group.

5. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate are subject to approval being obtained from the shareholders of PPHB at the forthcoming AGM.

6. DIRECTORS' RECOMMENDATION

Your Directors, save for Messrs. Koay Chiew Poh, Koay Chue Beng and Koay Teng Liang who refrain from giving an opinion in respect of Ordinary Resolution 7 and Nurjannah Binti Ali who has been refrained from giving an opinion in respect of Ordinary Resolution 8, are of the opinion that the Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate respectively are in the best interest of the Company.

Your Directors, with the exception of Messrs. Koay Chiew Poh, Koay Chue Beng, Koay Teng Liang and Nurjannah Binti Ali as mentioned above, recommend that you vote in favour of the Ordinary Resolution 7 on the Proposed Renewal of Shareholders' Mandate and Ordinary Resolution 8 on the Proposed Additional Shareholders' Mandate to be tabled at the forthcoming 23rd AGM.

7. EXISTING SHAREHOLDERS' MANDATE

The actual value transacted of each Recurrent Related Party Transaction from the date on which the existing shareholders' mandate which was obtained on 22 May 2009 up to 31 March 2010 being the latest practicable date before printing of this Circular, together with the estimated value of each Recurrent Related Party Transactions as disclosed in the Circular to Shareholders dated 24 April 2009 are as follows:

PPHB/ subsidiaries involved	Name of Related Party	Relation	Nature of Transaction	Estimated value as disclosed in the Circular to Shareholders dated 24 April 2009	Actual value transacted from 22 May 2009 up to 31 March 2010
				RM'000	RM'000
Public Packages (Prai) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of carton boxes	300	0

PPHB/ subsidiaries involved	Name of Related Party	Relation -ship	Nature of Transaction	Estimated value as disclosed in the Circular to Shareholders dated 24 April 2009	Actual value transacted from 22 May 2009 up to 31 March 2010
				RM'000	RM'000
Public Packages (Prai) Sdn. Bhd.	City Packaging Industry Sdn. Bhd. - Seller	N2	Purchase of carton boxes to supplement company's own production whenever it reaches its full capacity	100	0
	- Buyer		Sale of carton boxes	500	0
	Tompac Industrial Sdn. Bhd. - Buyer	N1	Sale of paper boards	100	0
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50	3
Public Packages (NT) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of carton boxes	800	0
	City Packaging Industry Sdn. Bhd. - Seller	N2	Purchase of carton boxes to supplement company's own production whenever it reaches its full capacity	100	0
	- Buyer		Sale of carton boxes	700	26
	Tompac Industrial Sdn. Bhd. - Buyer	N1	Sale of paper boards and carton boxes	150	0
	- Seller		Purchase of carton boxes to supplement company's own production whenever it reaches its full capacity	50	0
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	100	0

PPHB/ subsidiaries involved	Name of Related Party	Relatio n-ship	Nature of Transaction	Estimated value as disclosed in the Circular to Shareholders dated 24 April 2009	Actual value transacted from 22 May 2009 up to 31 March 2010
				RM'000	RM'000
PPH Printing & Packaging (Penang) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of retail boxes	2,000	0
	Teckwah Paper Products Sdn. Bhd. - Buyer	N1	Sale of retail boxes	1,000	0
	- Seller		Sub-contract of printing work by Teckwah Paper Products Sdn. Bhd.	500	39
	- Buyer		Sub-contract of printing work to Teckwah Paper Products Sdn. Bhd.	500	0
	- Seller		Purchase of raw materials ie Duplex to produce offset printed display boxes	300	0
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50	3
PPH Displays Design Sdn. Bhd.	Fame Pack Holdings Sdn. Bhd. - Landlord	N3	Rent of property for staff accommodation (*)	40	20
PPH Printing & Packaging (Kulim) Sdn. Bhd.	Teckwah Paper Products Sdn. Bhd. - Seller	N1	Sub-contract of printing work by Teckwah Paper Products Sdn Bhd	200	0
	- Buyer		Sale of retail boxes	100	0
	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50	1
PPHB	Teckwah Value Chain Sdn Bhd	N1	Accounting, administrative and advisory services rendered	300	0

PPHB/ subsidiaries involved	Name of Related Party	Relatio n-ship	Nature of Transaction	Estimated value as disclosed in the Circular to Shareholders dated 24 April 2009	Actual value transacted from 22 May 2009 up to 31 March 2010
				RM'000	RM'000
Public Packages (Shah Alam) Sdn. Bhd.	Teckwah Value Chain Sdn. Bhd. - Buyer	N1	Sale of carton boxes	2,000	0
	Tompac Industrial Sdn. Bhd. - Seller	N1	Purchase of carton boxes to Supplement company's own Production whenever it Reaches its full capacity	200	0
	Tompac Industrial Sdn. Bhd. - Buyer	N1	Sale of carton boxes	200	0
Public Packages Asia (S) Pte. Ltd.	Fame Pack Holdings Sdn. Bhd. - Landlord	N3	Rent of office lot (*)	70	52
Public Packages Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	100	10
PPH Management (M) Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50	0
Public Packages Asia Sdn. Bhd.	PPH Multimedia Network Sdn. Bhd. - Seller	N4	Purchase of computers and its related parts	50	0
	Fame Pack Holdings Sdn. Bhd -Landlord	N3	Rent of property for staff accommodation (*)	80	45

(*) The tenancy is for a period of two (2) years and the rental is payable on a monthly basis.

Mr. Koay Chiew Poh ("KCP") is a director and major shareholder of PPHB. Madam Ooi Siew Hong ("OSH") is a director who resigned on 30 January 2009 and a major shareholder of PPHB. Both Mr. Koay Chue Beng ("KCB") and Mr. Koay Teng Liang ("KTL") are directors of PPHB.

The family relationship between the directors, major shareholders and persons connected to directors and/or major shareholders of PPHB are as follows: -

- (a) A OSH is the spouse of KCP
- (b) KTL is the son of KCP and OSH
- (c) KCP and KCB are brothers.

They are interested in the transactions due to the following: -

- N1 Teckwah Paper Products Sdn. Bhd., Tompac Industrial Sdn. Bhd. and Teckwah Value Chain Sdn. Bhd. are the wholly-owned subsidiaries of PPH Teckwah Value Chain Sdn. Bhd. ("PTVC").

PTVC is a 50% joint-venture company between PPH Paper Products Sdn. Bhd. ("PPHPP") and third parties. PPHPP is a wholly-owned subsidiary of PPHB. KCP who is a major shareholder of PPHB being the common director of PPHB and PTVC, is deemed to have interest in these companies.

- N2 Mr. Ooi Teong Huat is the substantial shareholder of City Packaging Industry Sdn. Bhd. and he holds 99% of the total and issued paid-up capital of City Packaging Industry Sdn. Bhd. Mr. Ooi Teong Huat is the brother of OSH, the brother-in-law of KCP and KCB, and the uncle of KTL.

Both City Packaging Industry Sdn. Bhd. and Mr. Ooi Teong Huat do not hold shares in PPHB.

- N3 Fame Pack Holdings Sdn. Bhd. is a major shareholder of PPHB of which both KCP and OSH who are directors and major shareholders of PPHB have interest.

- N4 KTL is a director and major shareholder of PPH Multimedia Network Sdn. Bhd. KTL holds 40% of the total paid up capital of PPH Multimedia Network Sdn. Bhd.

Whilst, Koay Boon Pee Holding Sdn. Bhd. ("KBPH") is a major shareholder of PPH Multimedia Network Sdn. Bhd. of which KCP and KCB are directors and shareholders of KBPH.

8. 23RD AGM

The 23rd AGM of the Company will be held at 3rd Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Friday, 21 May 2010 at 10.00 a.m., for the purpose of considering and, if thought fit, passing, inter alia, the Ordinary Resolutions pertaining to the Proposed Renewal of Shareholders' Mandate and Proposed Additional Shareholders' Mandate in the 23rd AGM thereof.

If you are unable to attend and vote in person at the 23rd AGM, you may complete and return the Proxy Form enclosed in this Circular in accordance with the instructions printed therein as soon as possible in any event, so as to arrive at the registered office of PPHB not less than forty-eight (48) hours before the time fixed for holding the 23rd AGM. The lodging of the Proxy Form does not preclude you from attending and voting in person should you subsequently decide to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the appendix for further information.

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

NG THIM FOOK
Independent Non-Executive Director

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. 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.

3. 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, 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. The Hearing Application (for Order 14) is originally scheduled on 19 May 2009, has been adjourned by the Court to 5 February 2010 and then adjourned by the Court to 12 February 2010. The case was fixed for Hearing of Application (summary judgement) on 10 March 2010 and then fixed for Decision on 14 April 2010. On 14 April 2010 the Court has dismissed the application for summary judgement with costs.

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

4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection during normal office hours (except public holidays) at the registered office of PPHB at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang for the period from the date of this Circular up to and including the date of the 23rd AGM: -

- a) The Memorandum and Articles of Association of PPHB;
- b) The audited financial statements of the past two (2) financial years ended 31 December 2009 and 2008; and
- c) The relevant cause papers in respect of the material litigation referred to in section 3 above.

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