

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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PUBLIC PACKAGES HOLDINGS BERHAD

(Registration No. 198701003743 (162413-K))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED BONUS ISSUE OF UP TO 75,569,000 NEW ORDINARY SHARES IN PUBLIC PACKAGES HOLDINGS BERHAD ("PPHB" OR "COMPANY") ("PPHB SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF TWO (2) BONUS SHARES FOR EVERY FIVE (5) EXISTING PPHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AFFIN HWANG INVESTMENT BANK BERHAD

(Registration No. 197301000792 (14389-U))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of PPHB will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuhraya, 10300 Penang on Monday, 30 May 2022 at 11.00 a.m. or immediately after the conclusion or adjournment of the 35th Annual General Meeting ("**AGM**") of the Company to be held on the same day at 10.00 a.m., whichever is later. The Notice of EGM together with the Proxy Form are enclosed in this Circular which are available for download from the Company's website at <https://www.pph.com.my> and/or Bursa Securities' website at <https://www.bursamalaysia.com>.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing and depositing the Proxy Form in accordance with the instructions contained therein 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 appointed for holding the EGM or adjournment thereof, or in the case of a poll not less than twenty-four (24) hours before the time appointed for the taking of the poll. The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Saturday, 28 May 2022 at 11.00 a.m.

Date and time of the EGM : Monday, 30 May 2022 at 11.00 a.m. or immediately after the conclusion or adjournment of the 35th AGM of the Company to be held on the same day at 10.00 a.m., whichever is later

This Circular is dated 29 April 2022

DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations shall apply throughout this Circular:

Act	: Companies Act 2016
Affin Hwang IB	: Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
AGM	: Annual General Meeting
Announcement	: Announcement dated 6 April 2022 in relation to the Proposed Bonus Issue
Board	: The board of directors of PPHB
Bonus Share(s)	: Up to 75,569,000 new PPHB Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	: This circular to the shareholders of PPHB dated 29 April 2022
EGM	: Extraordinary general meeting
Entitled Shareholders	: Shareholders of PPHB whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	: A date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Bonus Issue
EPS	: Earnings per Share
ESGS	: Employee share grant scheme
ESOS	: Employee share option scheme
FYE	: Financial year ended/ending, as the case may be
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 31 March 2022, being the latest practicable date prior to the printing of this Circular
Maximum Scenario	: Assuming 6,500 Outstanding Options are exercised into new PPHB Shares prior to the Entitlement Date
Minimum Scenario	: Assuming none of the 6,500 Outstanding Options are exercised into new PPHB Shares prior to the Entitlement Date

DEFINITIONS (CONT'D)

NA	:	Net assets
Outstanding Options	:	6,500 outstanding options granted under the ESOS, which are vested and exercisable prior to the Entitlement Date
PPHB or Company	:	Public Packages Holdings Berhad (Registration No. 198701003743 (162413-K))
PPHB Group or Group	:	PPHB and its subsidiaries, collectively
PPHB Share(s) or Share(s)	:	Ordinary share(s) in PPHB
Proposed Bonus Issue	:	Proposed bonus issue of up to 75,569,000 Bonus Shares on the basis of two (2) Bonus Shares for every five (5) existing PPHB Shares held by the Entitled Shareholders on the Entitlement Date
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
RM and sen	:	Ringgit Malaysia and sen respectively
SIS	:	The Company's share issuance scheme comprising the ESOS and ESGS, which was established on 6 October 2017
TEBP	:	Theoretical ex-bonus share price
VWAP	:	Volume weighted average price

References to "we", "us", "our" and "ourselves" are to the Company, and where the context otherwise requires, the subsidiaries of the Company. All references to "you" are to the shareholders of the Company.

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

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED BONUS ISSUE. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS TOGETHER WITH THE APPENDIX OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

Key information	Summary	Reference to this Circular
Issue size and basis of allotment	Up to 75,569,000 Bonus Shares on the basis of two (2) Bonus Shares for every five (5) existing PPHB Shares held by the Entitled Shareholders on the Entitlement Date.	Section 2
Rationale for the Proposed Bonus Issue	The Proposed Bonus Issue serves to reward the existing shareholders of the Company for their loyalty and continued support to PPHB Group and is expected to enhance the marketability and trading liquidity of PPHB Shares.	Section 3
Effects of the Proposed Bonus Issue	The effects of the Proposed Bonus Issue are as follows: (i) the number of PPHB Shares in issue will increase from 188,916,001 PPHB Shares to 264,482,401 PPHB Shares and up to 264,491,501 PPHB Shares under the Minimum Scenario and Maximum Scenario respectively; (ii) no effect on the gearing ratio and the earnings of the Group as well as the percentage of shareholdings of the substantial shareholders of the Company; and (iii) NA per Share and EPS of the Group will be diluted due to the increase in the number of PPHB Shares in issue after the Proposed Bonus Issue.	Section 4
Interests of directors, major shareholders, chief executive and/or persons connected with them	None of the directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements to the Bonus Shares as shareholders of PPHB, to which all other shareholders of the Company are similarly entitled.	Section 8
Directors' statement and recommendation	The Board, after having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company and its shareholders. Accordingly, the Board recommends that you VOTE IN FAVOUR of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming EGM of the Company.	Section 9



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

Registered Office

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

29 April 2022

Board of directors:

Koay Chiew Poh	<i>(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>
Ng Thim Fook	<i>(Independent Non-Executive Director)</i>
Ong Eng Choon	<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>

To: The shareholders of the Company

Dear Sir/Madam,

PROPOSED BONUS ISSUE

1. INTRODUCTION

On 6 April 2022, Affin Hwang IB had, on behalf of the Board, announced that the Company proposed to undertake the Proposed Bonus Issue.

On 7 April 2022, Affin Hwang IB had, on behalf of the Board, announced that the listing application in relation to the Proposed Bonus Issue had been submitted to Bursa Securities.

On 15 April 2022, Affin Hwang IB had, on behalf of the Board, announced that Bursa Securities, had vide its letter dated 14 April 2022, approved the listing of and quotation for up to 75,569,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 6** of this Circular.

The details of the Proposed Bonus Issue are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDIX IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED BONUS ISSUE TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE SET OUT IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS TOGETHER WITH THE APPENDIX OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue will entail the issuance of up to 75,569,000 Bonus Shares on the basis of two (2) Bonus Shares for every five (5) existing PPHB Shares held by the Entitled Shareholders on the Entitlement Date.

The basis of two (2) Bonus Shares for every five (5) existing PPHB Shares was determined after taking into consideration, amongst others, the following:

- (i) the potential adjustments to the share price of PPHB Shares arising from the Proposed Bonus Issue; and
- (ii) the enlarged number of PPHB Shares after the Proposed Bonus Issue.

The Entitlement Date will be determined and announced at a later date after all the relevant approvals for the Proposed Bonus Issue have been obtained.

As at the LPD, the issued share capital of the Company is RM94,787,179 comprising 188,916,001 PPHB Shares. The Company also has 6,500 Outstanding Options, which are vested and exercisable prior to the Entitlement Date. For avoidance of doubt, the Company does not intend to further grant any ESOS options and/or ESGS shares to any eligible directors and employees until the completion of the Proposed Bonus Issue. Further, the Company does not hold any treasury shares as at the LPD.

The maximum number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue was arrived at after taking into consideration the following:

- (i) the issued share capital of the Company of RM94,787,179 comprising 188,916,001 PPHB Shares as at the LPD; and
- (ii) assuming 6,500 Outstanding Options are exercised into new PPHB Shares prior to the Entitlement Date.

Pursuant to the Minimum Scenario and Maximum Scenario, the Proposed Bonus Issue would entail the issuance of 75,566,400 Bonus Shares and up to 75,569,000 Bonus Shares respectively. Upon completion of the Proposed Bonus Issue, the number of issued shares of the Company will increase to 264,482,401 PPHB Shares and up to 264,491,501 PPHB Shares under the Minimum Scenario and Maximum Scenario respectively. The actual number of Bonus Issue to be issued will depend on the number of issued share of the Company on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded, and/or dealt with by the Board in such manner as it may in its absolute discretion deem fit or expedient and in the best interest of the Company.

The Proposed Bonus Issue will not be implemented on a staggered basis.

There will be an adjustment to the market price of PPHB Shares listed and quoted on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue. For illustrative purposes, the effects of the Proposed Bonus Issue on the share price of PPHB Shares are as follows:

	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
	VWAP per Share (RM)	TEBP per Share (RM)
Five (5)-day VWAP up to and including 6 April 2022*	0.759	0.542
Lowest three (3)-month daily VWAP up to and including 6 April 2022*	0.709	0.506
Highest three (3)-month daily VWAP up to and including 6 April 2022*	0.781	0.558

The Board confirms that the share price adjusted for the Proposed Bonus Issue is not less than RM0.50 based on the daily VWAP of PPHB Shares during the three (3)-month period up to and including 6 April 2022* pursuant to Paragraph 6.30(1A) of the Listing Requirements.

Note:

* Being the date immediately preceding the submission of the listing application to Bursa Securities on 7 April 2022.

2.2 Capitalisation of reserves

The Proposed Bonus Issue shall be wholly capitalised from the Company's retained profits account at RM0.50 for each Bonus Share, being the reference to the par value of PPHB Shares immediately before the date the Act came into effect.

The capitalisation from the Company's retained profits will increase the issued share capital of the Company to a level which better reflects the current size and scale of operations and assets employed of the PPHB Group. The capitalisation of the Proposed Bonus Issue represents a reinvestment of a portion of the Company's retained profits into the business via an increase in the paid-up share capital of the Company. This will also enable existing shareholders to better reflect their capital investment in the Company without any cash outflow from them and dilution to their existing shareholdings.

For illustrative purposes, based on the Company's latest audited financial statements for the FYE 31 December 2021, the pro forma effects of the Proposed Bonus Issue on the retained profits of the Company are as follows:

Company level	Audited as at 31 December 2021	
	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Retained profits	74,903	74,903
Capitalisation for the Proposed Bonus Issue	(37,783)	(37,785)
After the Proposed Bonus Issue	37,120	37,118

Paragraph 6.30(2)(b) of the Listing Requirements stipulates that a listed issuer undertaking a bonus issue by way of capitalisation must ensure that it has sufficient reserves to cover the capitalisation issue. The Board confirms that the Company has sufficient reserves to cover the capitalisation of the Bonus Shares based on the latest audited financial statements of PPHB for the FYE 31 December 2021. The Proposed Bonus Issue by way of capitalisation from the Company's retained profits is in compliance with the Act.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing PPHB Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, where the entitlement date is before the date of allotment and issuance of the Bonus Shares.

As PPHB Shares are prescribed securities under Section 14(5) of the Security Industry (Central Depositories) Act 1991, the Bonus Shares will be credited directly into the respective central depository system accounts of the Entitled Shareholders and no physical share certificates will be issued.

2.4 Listing of and quotation for the Bonus Shares

Bursa Securities had, vide its letter dated 14 April 2022, approved the listing of and quotation for up to 75,569,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6 of this Circular.

Upon obtaining all the necessary approvals as set out in Section 6 of this Circular, the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next market day after the Entitlement Date. The notices of allotment for the Bonus Shares will be issued and despatched to the Entitled Shareholders no later than four (4) market days after the date of listing of and quotation for the Bonus Shares, or such other period as may be prescribed by Bursa Securities.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue serves to reward the existing shareholders of the Company for their loyalty and continued support to PPHB Group.

After due consideration of the various options available, the Board is of the view that the Proposed Bonus Issue is an appropriate avenue for the Company to reward its shareholders as the Proposed Bonus Issue:

- (i) will enable the existing shareholders to have greater participation in the equity of the Company in terms of the number of PPHB Shares held, whilst maintaining their percentage of equity interest in the Company; and
- (ii) is expected to enhance the marketability and trading liquidity of PPHB Shares on the Main Market of Bursa Securities, thereby providing opportunity for greater participation from a broader range of investors.

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4. EFFECTS OF THE PROPOSED BONUS ISSUE

4.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue on the issued share capital of the Company as at the LPD, are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM'000	No. of Shares	RM'000
Issued share capital as at the LPD	188,916,001	94,787	188,916,001	94,787
PPHB Shares to be issued assuming full exercise of 6,500 Outstanding Options	-	-	(i)(ii)6,500	7
	188,916,001	94,787	188,922,501	94,794
PPHB Shares to be issued pursuant to the Proposed Bonus Issue	75,566,400	37,783	75,569,000	37,785
Enlarged issued share capital after the Proposed Bonus Issue	264,482,401	132,570	264,491,501	132,579

Notes:

- (i) Assuming 6,500 Outstanding Options are exercised into new PPHB Shares prior to the Entitlement Date as follows:

No. of Outstanding Options	Exercise Price (RM)	Amount (RM)
6,500	0.785	5,103

- (ii) Including the reversal from the ESOS and ESGS reserve account to the share capital account arising from the exercise of 6,500 Outstanding Options.

4.2 NA, NA per Share and gearing

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue on the NA, NA per Share and gearing of PPHB Group based on the latest audited consolidated statement of financial position of PPHB as at 31 December 2021 are as follows:

Minimum Scenario

	Audited as at 31 December 2021 RM'000	(I) After the Proposed Bonus Issue RM'000
Group Level		
Share capital	94,787	(i)132,570
Revaluation reserve	4,929	4,929
ESOS and ESGS reserve	2	2
Fair value adjustment reserve	342	342
Foreign translation reserve	1,424	1,424
Retained profits	199,895	(i)(ii)162,007
Total equity/NA	301,379	301,274
No. of Shares in issue ('000)	188,916	(iii)264,482
NA per Share (RM)	1.60	1.14
Total borrowings (RM)	21,434	21,434
Gearing ratio (times)	0.07	0.07

Notes:

- (i) After the capitalisation of RM37,783,200 from the retained profits account pursuant to the Proposed Bonus Issue.
- (ii) After deducting the estimated expenses in relation to the Proposed Bonus Issue of approximately RM105,000.
- (iii) After issuance of 75,566,400 Bonus Shares pursuant to the Proposed Bonus Issue.

Maximum Scenario

		(I) Assuming full exercise of 6,500 Outstanding Options RM'000	(II) After (I) and the Proposed Bonus Issue RM'000
Group Level	Audited as at 31 December 2021 RM'000		
Share capital	94,787	(i)(ii)94,794	(iii)132,579
Revaluation reserve	4,929	4,929	4,929
ESOS and ESGS reserve	2	(ii)-	-
Fair value adjustment reserve	342	342	342
Foreign translation reserve	1,424	1,424	1,424
Retained profits	199,895	199,895	(iii)(iv)162,005
Total equity/NA	301,379	301,384	301,279
No. of Shares in issue ('000)	188,916	(i)188,923	(v)264,492
NA per Share (RM)	1.60	1.60	1.14
Total borrowings (RM)	21,434	21,434	21,434
Gearing ratio (times)	0.07	0.07	0.07

Notes:

- (i) Assuming 6,500 Outstanding Options are exercised into new PPHB Shares prior to the Entitlement Date.
- (ii) Including the reversal from the ESOS and ESGS reserve account to the share capital account arising from the exercise of 6,500 Outstanding Options.
- (iii) After the capitalisation of RM37,784,500 from the retained profits account pursuant to the Proposed Bonus Issue.
- (iv) After deducting the estimated expenses in relation to the Proposed Bonus Issue of approximately RM105,000.
- (v) After issuance of 75,569,000 Bonus Shares pursuant to the Proposed Bonus Issue.

4.3 Earnings and EPS

The Proposed Bonus Issue is not expected to have any effect on the earnings of PPHB Group for the FYE 31 December 2022. However, there will be a corresponding dilution in the EPS of PPHB Group for the FYE 31 December 2022 as a result of the increase in the number of PPHB Shares in issue arising from the Proposed Bonus Issue.

4.4 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the percentage of shareholdings of the substantial shareholders of PPHB as the Bonus Shares will be allotted on a pro-rata basis to all shareholders of the Company. Accordingly, the number of PPHB Shares held by each substantial shareholder will increase proportionately as a result of the Proposed Bonus Issue.

The pro forma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings of PPHB based on the Company's Register of Substantial Shareholders as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Fame Pack Holdings Sdn Bhd	77,541,720	41.05	-	-	108,558,408	41.05	-	-
Multiple Accomplishments Sdn Bhd	15,093,274	7.99	-	-	21,130,583	7.99	-	-
Koay Chiew Poh	7,283,394	3.86	⁽ⁱ⁾ 84,287,434	44.62	10,196,751	3.86	⁽ⁱ⁾ 118,002,407	44.62
Ooi Siew Hong	113,000	0.06	⁽ⁱ⁾ 84,287,434	44.62	158,200	0.06	⁽ⁱ⁾ 118,002,407	44.62

Note:

(i) Deemed interested by virtue of Section 8 of the Act held through Fame Pack Holdings Sdn Bhd and Koay Boon Pee Holding Sdn Bhd.

Maximum Scenario

	As at the LPD				(I) Assuming full exercise of 6,500 Outstanding Options				(II) After (I) and the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Fame Pack Holdings Sdn Bhd	77,541,720	41.05	-	-	77,541,720	41.04	-	-	108,558,408	41.04	-	-
Multiple Accomplishments Sdn Bhd	15,093,274	7.99	-	-	15,093,274	7.99	-	-	21,130,583	7.99	-	-
Koay Chiew Poh	7,283,394	3.86	⁽ⁱ⁾ 84,287,434	44.62	7,283,394	3.86	⁽ⁱ⁾ 84,287,434	44.61	10,196,751	3.86	⁽ⁱ⁾ 118,002,407	44.61
Ooi Siew Hong	113,000	0.06	⁽ⁱ⁾ 84,287,434	44.62	113,000	0.06	⁽ⁱ⁾ 84,287,434	44.61	158,200	0.06	⁽ⁱ⁾ 118,002,407	44.61

Note:

(i) Deemed interested by virtue of Section 8 of the Act held through Fame Pack Holdings Sdn Bhd and Koay Boon Pee Holding Sdn Bhd.

4.5 Convertible securities

As at the LPD, save for the 6,500 Outstanding Options, the Company does not have any other convertible securities.

5. HISTORICAL SHARE PRICES

The monthly high and low market prices of PPHB Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:

	Low RM	High RM
2021		
April	0.880	0.975
May	0.860	1.020
June	0.775	0.875
July	0.755	0.845
August	0.760	0.820
September	0.770	0.875
October	0.765	0.850
November	0.730	0.830
December	0.725	0.820
2022		
January	0.750	0.795
February	0.740	0.785
March	0.700	0.785

Last transacted price of PPHB Shares on 5 April 2022
(being the day prior to the date of the Announcement) 0.770

Last transacted price of PPHB Shares on 20 April 2022
(being the latest trading date prior to the printing of this Circular) 0.825

(Source: Bloomberg)

6. APPROVALS REQUIRED

The Proposed Bonus Issue is subject to approvals being obtained from the following:

- (i) Bursa Securities, for the listing of and quotation for up to 75,569,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities.

The approval from Bursa Securities for the Proposed Bonus Issue was obtained vide its letter dated 14 April 2022, and is subject to the following conditions:

No.	Conditions	Status of compliance
(1)	PPHB and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	Noted

No.	Conditions	Status of compliance
(2)	PPHB and Affin Hwang IB to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
(3)	PPHB/ Affin Hwang IB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the forthcoming general meeting for the Proposed Bonus Issue;	To be complied
(4)	PPHB and Affin Hwang IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and	To be complied
(5)	PPHB/ Affin Hwang IB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements.	To be complied

- (ii) the shareholders of PPHB at an EGM of the Company to be convened; and
- (iii) any other relevant authorities and/or parties, if required.

7. INTER-CONDITIONALITY

The Proposed Bonus Issue is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements to the Bonus Shares as shareholders of PPHB, to which all other shareholders of PPHB are similarly entitled.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company and its shareholders.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming EGM of the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained from the relevant authorities and/or parties, the Proposed Bonus Issue is expected to be completed in the second (2nd) quarter of 2022.

The tentative timetable for the implementation of the Proposed Bonus Issue is as follows:

Tentative timeline	Key milestones
30 May 2022	EGM for the Proposed Bonus Issue
Early June 2022	Announcement of the Entitlement Date for the Proposed Bonus Issue
Mid June 2022	▪ Entitlement Date for the Proposed Bonus Issue ▪ Listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities ▪ Completion of the Proposed Bonus Issue

11. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue, the Board confirms that there is no other outstanding corporate exercise which has been announced but pending completion as at the LPD.

12. EGM

The EGM of the Company, the notice of which is set out in this Circular, will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuh Gereja, 10300 Penang on Monday, 30 May 2022 at 11.00 a.m. or immediately after the conclusion or adjournment of the 35th AGM of the Company to be held on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without any modifications, the resolution pertaining to the Proposed Bonus Issue.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing and depositing the Proxy Form in accordance with the instructions contained therein to 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 appointed for holding the EGM or adjournment thereof, or in the case of a poll not less than twenty-four (24) hours before the time appointed for the taking of the poll.

The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
PUBLIC PACKAGES HOLDINGS BERHAD

KOAY CHIEW POH
Executive Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. The Board confirms that after making 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 in this Circular false or misleading.

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

Affin Hwang IB, being the Principal Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Affin Hwang IB, being the Principal Adviser for the Proposed Bonus Issue, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Principal Adviser for the Proposed Bonus Issue.

3. MATERIAL LITIGATION

As at the LPD, the PPHB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the PPHB Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the business or financial position of the PPHB Group.

4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by the PPHB Group, which upon becoming enforceable may have a material effect on the business or financial position of the PPHB Group:

	RM'000
Contracted but not provided for:	
▪ Property, plant and equipment	4,017

5. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the PPHB Group, which upon becoming enforceable may have a material effect on the business or financial position of the PPHB Group:

	RM'000
Corporate guarantees extended to financial institutions for banking facilities granted to certain subsidiaries and a joint venture company	34,171

FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) the Constitution of the Company;
- (ii) the audited consolidated financial statements of PPHB for the past two (2) FYE 31 December 2020 and 31 December 2021; and
- (iii) the letter of consent referred to in Section 2 above.

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PUBLIC PACKAGES HOLDINGS BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Public Packages Holdings Berhad ("**PPHB**" or "**Company**") will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuhraya, 10300 Penang on Monday, 30 May 2022 at 11.00 a.m. or immediately after the conclusion or adjournment of the 35th Annual General Meeting of the Company to be held on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without any modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 75,569,000 NEW ORDINARY SHARES IN PPHB ("PPHB SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF TWO (2) BONUS SHARES FOR EVERY FIVE (5) EXISTING PPHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE")

"**THAT** subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained, and to the extent permitted by law and the Constitution of the Company, approval be and is hereby given to the board of directors of PPHB ("**Board**") to allot and issue up to 75,569,000 Bonus Shares on the basis of two (2) Bonus Shares for every five (5) existing PPHB Shares held by the shareholders whose names appear in the record of depositors of the Company at the close of business on an entitlement date to be determined and announced later.

THAT fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded, and/or dealt with by the Board in such manner as it may in its absolute discretion deem fit or expedient and in the best interest of the Company.

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing PPHB Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, where the entitlement date is before the date of allotment and issuance of the Bonus Shares.

AND THAT the Board be and is hereby authorised to take all the necessary steps to give effect to the Proposed Bonus Issue with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as the Board may deem necessary and/or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

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
29 April 2022

Notes:

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 more than one (1) proxy, 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 it may appoint in respect of each omnibus accounts it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provision of subsection 25A(1) of the said Act.
4. Where a member is an Exempt Authorised Nominee, 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 forty-eight (48) hours before the time for holding the meeting or any adjournment thereof, or in the case of a poll not less than twenty-four (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 EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a EGM Record of Depositors as at 18 May 2022. Only a depositor whose name appears on the Record of Depositors as at 18 May 2022 shall be entitled to attend the EGM or appoint proxies to attend and/or vote on his/her behalf.

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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/Company No.)
 (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 Extraordinary General Meeting ("EGM") 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, 30 May 2022 at 11.00 a.m. or immediately after the conclusion or adjournment of the 35th Annual General Meeting of the Company to be held on the same day at 10.00 a.m., whichever is later.

ORDINARY RESOLUTION	FOR	AGAINST
1. Proposed Bonus Issue		

Signed thisday of2022.

.....
 Signature of Member(s)/Common Seal

Notes:

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 more than one (1) proxy, 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 it 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 which is exempted from compliance with the provision of subsection 25A(1) of the said Act.
4. Where a member is an Exempt Authorised Nominee, 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 forty-eight (48) hours before the time for holding the meeting or adjournment thereof, or in the case of a poll not less than twenty-four (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.
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* 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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