

MAIN	
Subject	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) COMBINATION OF NEW ISSUE OF SECURITIES
Description	PUBLIC PACKAGES HOLDINGS BERHAD ('PPH' OR THE 'COMPANY') (I) PROPOSED BONUS ISSUE; AND (II) PROPOSED SCHEME (COLLECTIVELY, REFERRED TO AS THE 'PROPOSALS')
Announcement Details/Table Section	
<p>On behalf of the Board of Directors of PPH, Mercury Securities Sdn Bhd wishes to announce that the Company proposed to undertake the followings:</p> <p>(i) proposed bonus issue of 78,497,499 new ordinary shares in PPH ("PPH Shares" or "Shares") ("Bonus Shares") on the basis of five (5) Bonus Shares for every seven (7) existing PPH Shares held on an entitlement date to be determined later ("Proposed Bonus Issue"); and</p> <p>(ii) proposed establishment and implementation of a share issuance scheme ("Scheme") of up to fifteen (15%) of the Company's total issued share capital (excluding treasury shares) at any one time during the duration of the Scheme for the eligible employees of PPH and its subsidiaries and directors of PPH, comprising an employee share option scheme ("Proposed ESOS") and an employee share grant scheme ("Proposed ESGS") (Collectively, the "Proposed Scheme").</p> <p>Please refer to the attachment for further details on the Proposals.</p> <p>The announcement is dated [19 June 2017]</p>	

PUBLIC PACKAGES HOLDINGS BERHAD (“PPH” OR THE “COMPANY”)

(I) PROPOSED BONUS ISSUE; AND

(II) PROPOSED SCHEME

(COLLECTIVELY, REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On behalf of the Board of Directors of PPH (“**Board**”), Mercury Securities Sdn Bhd (“**Mercury Securities**”) wishes to announce that the Company proposes to undertake the followings:

- (i) proposed bonus issue of 78,497,499 new ordinary shares in PPH (“**PPH Shares**” or “**Shares**”) (“**Bonus Shares**”) on the basis of five (5) Bonus Shares for every seven (7) existing PPH Shares held on an entitlement date to be determined later (“**Entitlement Date**”) (“**Proposed Bonus Issue**”); and
- (ii) proposed establishment and implementation of a share issuance scheme (“**Scheme**”) of up to fifteen percent (15%) of the Company’s total issued share capital (excluding treasury shares) at any one time during the duration of the Scheme for the eligible employees of PPH and its subsidiaries (“**PPH Group**” or “**Group**”) and directors of PPH, comprising an employee share option scheme (“**Proposed ESOS**”) and an employee share grant scheme (“**Proposed ESGS**”) (Collectively, the “**Proposed Scheme**”).

Further details of the Proposals are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Bonus Issue

2.1.1 Basis and quantum

The Proposed Bonus Issue entails an issuance of 78,497,499 Bonus Shares on the basis of five (5) Bonus Shares for every seven (7) existing PPH Shares held by the shareholders of PPH whose names appear in the Record of Depositors of the Company at the close of business on the Entitlement Date (“**Entitled Shareholders**”)

As at 15 June 2017, being the latest practicable date prior to this announcement (“**LPD**”), the issued share capital of the Company is RM54,948,249 comprising 109,896,498 PPH Shares.

Fractional entitlements arising from the Proposed Bonus Issue shall be dealt with in such manner as the Board shall in its absolute discretion deems fit, expedient, and in the best interest of the Company.

The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

2.1.2 Capitalisation of reserves

The Proposed Bonus Issue will be effected by way of capitalising RM39,248,749 from the Company's retained earnings and share premium account.

The proposed capitalisation for the Proposed Bonus Issue based on PPH's latest audited financial statements for the financial year ended ("FYE") 31 December 2016 and latest unaudited quarterly report for the three (3)-month financial period ended ("FPE") 31 March 2017 are illustrated below:

FYE 31 December 2016

Company level	Share premium (RM'000)	Retained profits (RM'000)	Total (RM'000)
Audited as at 31 December 2016	1,295	39,357	40,652
<u>Less:</u>			
Capitalisation for the Proposed Bonus Issue	(1,295)	(37,954)	(39,249)
Estimated expenses in relation to the Proposals	-	(150)	(150)
After the Proposed Bonus Issue	-	1,253	1,253

FPE 31 March 2017

Company level	Share premium (RM'000)	Retained profits (RM'000)	Total (RM'000)
Unaudited as at 31 March 2017	1,295 ⁽¹⁾	39,559	40,854
<u>Less:</u>			
Capitalisation for the Proposed Bonus Issue	(1,295)	(37,954)	(39,249)
Estimated expenses in relation to the Proposals	-	(150)	(150)
After the Proposed Bonus Issue	-	1,455	1,455

Note:

⁽¹⁾ Under no par value regime of the new Companies Act, 2016 ("Act") which came into effect on 31 January 2017, the concept of share premium will no longer be applicable and any amount standing to the credit of the Company's share premium account shall be consolidated as part of its share capital, as stated in the Company's unaudited quarterly report for FPE 31 March 2017. However, Section 618(4) of the Act provides that the Company may use its share premium account to fully pay up the Bonus Shares within a 24 months period from 31 January 2017.

In accordance with Paragraph 6.30(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), the Board confirms that based on PPH's latest audited consolidated financial statements for the FYE 31 December 2016 and latest unaudited quarterly report for the FPE 31 March 2017, the reserves required for capitalisation for the Proposed Bonus Issue are adequate and unimpaired by losses on a consolidated basis.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing PPH Shares, save and except that the respective registered holders of the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to shareholders of the Company where the entitlement date of which precedes the date of allotment of the Bonus Shares.

2.1.4 Listing of and quotation for the Bonus Shares

An application will be made to Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

2.2 Proposed Scheme

The Company proposes to establish and implement the Proposed Scheme which involves granting of option(s) to subscribe for and/or award of PPH Shares (“**Scheme Shares**”) to the eligible directors (including non-executive directors) and employees of PPH Group who fulfil the criteria of eligibility for the participation in the Proposed Scheme (“**Eligible Person(s)**”) as set out in the by-laws governing the Proposed Scheme (“**By-Laws**”).

The Proposed Scheme will be administrated by a committee, the members of which will be duly appointed and authorised by the Board (“**Scheme Committee**”). Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the Scheme Committee pursuant to the By-Laws may be exercised in the Scheme Committee’s sole and absolute discretion subject to the terms of reference which the Board may establish to regulate and govern the Scheme Committee’s functions and responsibilities.

The Proposed Scheme shall encompass two (2) primary schemes as detailed out below:

2.2.1 Proposed Employees’ Share Option Scheme (“Proposed ESOS”)

Under the Proposed ESOS, the Scheme Committee may, within the period of the Proposed ESOS and at its discretion, offer to the Eligible Persons in writing a certain number of options (“**ESOS Options**”) to subscribe for PPH Shares (“**ESOS Shares**”) at a prescribed subscription price subject to the applicable terms and conditions of the By-Laws (“**ESOS Offer**”).

Should any Eligible Person decide to accept the ESOS Offer (such persons hereinafter referred to as the “**Scheme Participants**”), the ESOS Options shall be vested to the relevant Scheme Participant and may be subject to the fulfillment of such vesting conditions as may be determined by the Scheme Committee, in accordance with the terms of the By-Laws.

The subscription price payable for each PPH Share upon the exercise of the ESOS Option (“**Exercise Price**”) shall be determined by the Board upon recommendation of the Scheme Committee, based on the five (5)-day volume weighted average market price (“**VWAMP**”) of PPH Shares immediately preceding the date of the ESOS Offer, subject to a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme.

2.2.2 Proposed Employees' Share Grant Scheme (“Proposed ESGS”)

Under the Proposed ESGS, the Scheme Committee may, within the period of the Proposed Scheme and at its discretion, grant an award of PPH Shares (“**ESGS Awards**”) to selected senior management of the Group and executive directors of the Company.

Should any Eligible Person decide to accept the ESGS Awards (such persons hereinafter referred to as the “**Scheme Participants**”), the ESGS Awards will be vested to the Scheme Participants at no consideration, subject to the Scheme Participants' fulfillment of certain vesting conditions as determined by the Scheme Committee, in accordance with the terms of the By-Laws and taking into account the objectives as set out below.

The ESGS Awards are in recognition of the loyalty and individual contributions of Scheme Participants toward the development, growth and success of PPH Group. Further to the above, the vesting of Scheme Shares to the Scheme Participants is subject to their fulfillment of vesting conditions to be stipulated and determined by the Scheme Committee, which may include, amongst others, the achievement of individual performance as measured by qualitative and quantitative key performance indicators, during such period as stipulated in the ESGS Award.

2.3 Trust Arrangement

In implementing the Proposed ESGS, the Scheme Committee may, at its discretion, decide that any vesting of PPH Shares comprised in an ESGS Awards shall be satisfied through:

- (i) the issuance of new PPH Shares;
- (ii) the acquisition of existing PPH Shares;
- (iii) any other methods as may be permitted by the Act; or
- (iv) any combination of any of the above.

In considering the mode of satisfaction as referred to in (i) to (iv) above, the Scheme Committee will take into consideration, amongst others, factors such as prevailing market price of PPH Shares, funding considerations, dilutive effects of any issuance on our share capital base, and cash requirements of the Group.

To facilitate the implementation and administration of the Proposed ESGS, the Company may, establish a trust to be administered by a trustee (“**Trustee**”) in accordance with the terms and conditions of a trust deed to be entered into.

The Trustee shall, at such times as the Scheme Committee shall direct, acquire existing PPH Shares from the Main Market of Bursa Securities and/or subscribe for new PPH Shares and transfer to the Scheme Participants in accordance to the By-Laws. For this purpose, the Trustee will be entitled from time to time, to the extent permitted by law, to receive funds and/or other permissible assistance from the Group and/or any third party. The Scheme Committee shall have discretion to revoke or suspend any such direction that has been given earlier to the Trustee.

2.4 Salient Terms of the Proposed Scheme

The salient terms of the Proposed Scheme are summarised below:

2.4.1 Maximum number of shares available under the Scheme

The maximum number of new Shares which may be made available under the Scheme shall not in aggregate exceed fifteen percent (15%) of the issued share capital of the Company (excluding treasury shares) at any point of time during the duration of the Scheme (“**Maximum Shares**”).

In the event that the Scheme Shares exceeds the Maximum Shares as a result of the Company purchasing or cancelling Shares in accordance with the provisions of the Act and/or undertaking any other corporate proposals resulting in the reduction of its issued share capital, all ESOS Offer and/or ESGS Awards granted or awarded prior to such variation of PPH’s issued share capital shall remain valid and may vest in accordance with the terms of the By-Laws as if that purchase and/or reduction had not occurred. However, no additional ESOS Offer and/or ESGS Awards shall be made by the Scheme Committee until such aggregate number of Scheme Shares made available under the Proposed Scheme falls below the Maximum Shares allowed.

2.4.2 Eligibility

Subject to the discretion of the Scheme Committee, any director (including non-executive director) or employee of the PPH Group shall be eligible to participate in the Scheme if, as at the date on which an offer is made by the Scheme Committee in writing, the director or employee:

- (i) has attained the age of eighteen (18) years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) is a Malaysian citizen;
- (iii) has been confirmed in service and is in permanent employment of the PPH Group; and
- (iv) fulfils any criteria as may be determined by the Scheme Committee from time to time.

In the event that any Eligible Person is a member of the Scheme Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of ESOS Offer and/or ESGS Awards.

The eligibility does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Proposed Scheme and an Eligible Person does not acquire or have any rights over or in connection with ESOS Offer and/or ESGS Awards comprised herein unless an ESOS Offer and/or ESGS Awards has been made by the Scheme Committee to the Eligible Person and the Eligible Person has accepted the ESOS Offer and/or ESGS Awards in accordance with the terms of the By-Laws.

Where a specific allocation of ESOS Options and/or Shares is proposed to be made under the Scheme to the director (including non-executive director, where applicable), major shareholder or chief executive of the Company, or a person connected with such director (including non-executive director, where applicable), major shareholder or chief executive of the Company, the specific allocation of ESOS Options and/or Shares under the Scheme to the said person must be approved by the shareholders of the Company in a general meeting.

2.4.3 Basis of allotment and maximum allowable allocation

Subject to any adjustments which may be made under the By-Laws, the maximum number of new Shares that may be offered and allotted to an Eligible Person shall be determined at the discretion of the Scheme Committee after taking into consideration amongst others, the Eligible Person's performance, targets, position, length of service, potential contribution to the PPH Group and seniority, subject to the following conditions:

- (i) the directors and senior management who are Eligible Persons do not participate in the deliberation or discussion of their respective allocation; and
- (ii) the allocation to any Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty per cent (20%) or more of the issued share capital of the Company (excluding treasury shares), shall not exceed ten per cent (10%) of the aggregate number of new Shares to be issued pursuant to the Scheme.

The Scheme Committee may make more than one (1) ESOS Offer to an Eligible Person provided that the aggregate number of ESOS Options so offered to an Eligible Person throughout the entire duration of the Scheme does not exceed the maximum allowable allotment of such Eligible Person, as detailed above.

2.4.4 Duration and termination of the Scheme

The Scheme shall take effect on the date of full compliance with all the relevant requirements of the Listing Requirements (“**Effective Date**”).

The Scheme shall be in force for a period of five (5) years from the Effective Date, and may be extended for a further period of five (5) years, at the discretion of the Board upon recommendation of the Scheme Committee, without having to obtain approval from the shareholders of the Company, provided always that the initial period of Scheme and such extension of the Scheme shall not exceed a duration of ten (10) years from the Effective Date.

Upon expiry or termination of the Scheme, any ESOS Offer and/or ESGS Awards which have yet to be vested or exercised shall be deemed cancelled and be null and void.

2.4.5 Rights attaching to the PPH Shares

The PPH Shares to be allotted and issued upon the exercise of any ESOS Options granted or vesting of any ESGS Awards under the Scheme shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing PPH Shares, save and except that the respective registered holders of the PPH Shares to be issued and allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to shareholders of the Company where the entitlement date of which precedes the date of allotment of such PPH Shares.

The PPH Shares to be allotted and issued pursuant to the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme will be subject to the provisions of the Constitution of the Company.

2.4.6 Utilisation of proceeds

The total proceeds to be received by PPH pursuant to the exercise of the ESOS Options under the Proposed ESOS will depend on, amongst others, the number of ESOS Options granted and exercised at the relevant point in time and the Exercise Price. As such, the amount of proceeds to be received from the exercise of the ESOS Options cannot be determined at this juncture. Nevertheless, the Company intends to utilise the net proceeds from the exercise of the ESOS Options for the working capital of the Group.

No proceeds will be raised pursuant to the Proposed ESGS, as the Scheme Participants will not be required to pay for PPH Shares to be issued and transferred to them pursuant to the ESGS Awards.

2.4.7 Retention Period

The PPH Shares to be allotted and issued pursuant to the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme will not be subject to any retention period or restriction on transfer.

2.4.7 Listing of and quotation for the PPH Shares

An application will be made to Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed Scheme on the Main Market of Bursa Securities.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

3.1 Proposed Bonus Issue

The Proposed Bonus Issue aims to:

- (i) reward the existing shareholders of the Company for their continuous support and loyalty by enabling them to participate in the equity of the Company in terms of holding additional number of PPH Shares while maintaining their percentage of equity interest in the Company, which is tradable on Bursa Securities, without incurring any cost;
- (ii) increase the Company's share capital to a level which will better reflect the current scale of operations of PPH and facilitate possible equity-linked fundraising exercises in the future through this larger share capital base; and
- (iii) potentially encourage trading liquidity of PPH Shares on Bursa Securities thereby broadening the shareholder base of the Company.

3.2 Proposed Scheme

The Proposed Scheme is intended to:

- (i) recognise and reward the Eligible Persons by giving recognition to their contributions and services as well as to encourage better future performance and contribution from the Eligible Persons;
- (ii) retain, motivate and reward the Eligible Persons by allowing them to participate in the Company's profitability and eventually realise capital gains arising from any appreciation in the value of PPH Shares;

- (iii) encourage the employees of the Group towards a greater level of commitment, dedication, loyalty and to drive enhanced productivity;
- (iv) reward and retain employees whose services are vital to the operations, continued growth and future expansion of the Group, thereby ensuring the loss of key personnel to be kept to a minimum; and
- (v) align the interest of the senior management of the Group and the executive directors of the Company to drive long term shareholders' value enhancement via direct equity participation in the Company.

The Proposed ESOS, which is also extended to the non-executive directors of the Company, is to recognise and reward their contributions and effort as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as enable PPH to attract and retain capable individuals to act as non-executive directors of the Company who will assist in the overall strategic decisions of the Group.

4. EFFECTS OF THE PROPOSALS

4.1 Issued share capital

The Proposed Scheme will not have an immediate effect on the existing issued share capital of PPH until such time new PPH Shares are issued under the Proposed Scheme. The issued share capital of PPH may increase progressively depending on the new number of new PPH Shares issued pursuant to the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme.

For illustration purposes, the proforma effects of the Proposals on the issued share capital of PPH are as follows:

	No. of PPH Shares	RM
Issued share capital as at the LPD	109,896,498	54,948,249
To be issued pursuant to the Proposed Bonus Issue	78,497,499	39,248,749
	188,393,997	94,196,998
To be issued pursuant to the maximum number of Scheme Shares pursuant to the Proposed Scheme	28,259,099	35,041,283 ⁽¹⁾
Enlarged issued share capital	216,653,096	129,238,281

Note:

⁽¹⁾ For illustrative purposes only, the amount of the maximum number of Scheme Shares is based on the Exercise Price of RM1.24, which represents a discount of approximately 9.49% to the five (5)-day VWAMP of PPH Shares of up to and including the LPD of RM1.37.

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4.2 Net asset (“NA”), NA per Share and gearing

Based on the audited consolidated financial statements of PPH as at 31 December 2016, the proforma effects of the Proposed Bonus Issue on the NA, NA per share and gearing of PPH Group are as follows:

	(I) Audited as at 31 December 2016 (RM'000)	(II) After (I) and Proposed Bonus Issue (RM'000)
Share capital	54,949	94,197
Share premium	1,295	-
Revaluation reserve	386	386
Fair value adjustment reserve	236	236
Foreign translation reserve	1,507	1,507
Retained profits	130,005	91,901 ⁽¹⁾
Shareholders' funds/ NA	188,378	188,228
No. of Shares	109,896	188,393
NA per Share (RM)	1.71	1.00
Total Borrowings (RM)	45,831	45,831
Gearing ratio (times)	0.24	0.24

Note:

⁽¹⁾ After taking into account the estimated expenses of RM150,000 in relation to the Proposals.

The Proposed Scheme will not have an immediate effect on NA, NA per share and gearing of PPH Group until such time that new PPH Shares are issued pursuant to the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme. Any potential effect on the NA per share and gearing of PPH Group will depend on the number of new PPH Shares to be issued which can only be determined at the point of the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme.

For illustration purposes, upon exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme, the NA per share is expected to:

- (i) increase if the Exercise Price or the fair value of ESGS Awards is higher than the NA per share; or
- (ii) decrease if the Exercise Price or the fair value of the ESGS Awards is lower than the NA per share

at such point of exercise and/or vesting.

4.3 Substantial shareholders' shareholdings

The proforma effects of the Proposed Bonus Issue on the direct and indirect shareholdings of the substantial shareholders of PPH are as follows:

Substantial shareholders	(I)				(II)			
	As at LPD				After (I) and Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Fame Pack Holdings Sdn Bhd	45,232,670	41.16	-	-	77,541,720	41.16	-	-
Multiple Accomplishments Sdn Bhd	8,804,410	8.01	-	-	15,093,274	8.01	-	-
Koay Chiew Poh	4,226,480	3.85	49,167,670 ⁽¹⁾	44.74	7,245,394	3.85	84,287,434 ⁽¹⁾	44.74
Ooi Siew Hong	-	-	49,167,670 ⁽¹⁾	44.74	-	-	84,287,434 ⁽¹⁾	44.74

Note:

⁽¹⁾ Deemed interested by virtue of Section 8 of the Act held through Fame Pack Holdings Sdn Bhd and Koay Boon Pee Holding Sdn Bhd.

The Proposed Scheme is not expected to have any immediate effect on the shareholdings of the substantial shareholders of the Company until such time that new PPH Shares are issued pursuant to the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme. Any effect on the shareholdings of the substantial shareholders will depend on the number of new PPH Shares to be issued which can only be determined at the point of the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme.

4.4 Earnings and Earnings Per Share ("EPS")

The Proposed Bonus Issue is not expected to have any material effect on the earnings of PPH Group for FYE 31 December 2017. However, there will be a corresponding dilution in the EPS of PPH Group as a result of the increase in the number of shares issued under the Proposed Bonus Issue.

The Proposed Scheme is not expected to have any immediate material effect on the earnings of PPH Group. In accordance with Malaysian Financial Reporting Standard 2 for the Share-Based Payment as issued by the Malaysian Accounting Standards Board ("MFRS 2"), the costs arising from the ESOS Options and ESGS Awards are required to be measured at the date on which the ESOS Options and ESGS Awards are granted and recognised as an expense over the vesting period of the ESOS Options and ESGS Awards, which will have an effect on the future consolidated earnings of the Company.

The potential effect of the Proposed Scheme on the consolidated earnings and EPS of the Company in the future, as a consequence of the recognition of the expense, cannot be determined at this juncture as it will depend on the number of new PPH Shares are issued pursuant to the exercise of an ESOS Option or vesting of the ESGS Awards under the Scheme and various factors that affect the fair value of the ESOS Options and ESGS Awards. The fair value would in turn depend on, among others, the market price and volatility of PPH Shares.

For clarification, the potential cost of the the ESOS Options and ESGS Awards do not represent a cash outflow as it is only an accounting treatment. However, there will be cash outflow if the Group provides funds to the Trustee to acquire existing PPH Shares and/or subscribe for new PPH Shares to be held in trust for the purpose of the Proposed ESGS.

The Board has taken note of the potential impact of MFRS 2 on the earnings of the Group and shall take proactive measures to manage the earnings impact in the allocation of the ESOS Offer and/or ESGS Awards under the Scheme to the Eligible Persons.

4.5 Convertible Securities

As at the LPD, the Company does not have any outstanding convertible securities.

5. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) listing of and quotation for the Bonus Shares pursuant to the Proposed Bonus Issue; and
 - (b) listing of and quotation for the new PPH Shares to be issued pursuant to the Proposed Scheme,on the Main Market of Bursa Securities;
- (ii) the shareholders of PPH for the Proposals at an extraordinary general meeting (“EGM”) to be convened; and
- (iii) any other relevant authorities, if required.

The Proposals are not conditional upon any proposals undertaken or to be undertaken by the Company.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of the Company and/or persons connected to them, have any interest, whether direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of the Company, which are also available to all other shareholders of the Company.

All the directors of PPH are entitled to participate in the Proposed Scheme and are therefore deemed interested in the Proposed Scheme to the extent of their respective allocations, as well as allocations to persons connected with them (if any), under the Proposed Scheme. As such, the interested directors have abstained and will continue to abstain from deliberating and voting at all relevant Board meetings on their respective allocations, as well as allocations to persons connected with them (if any), under the Proposed Scheme.

The interested directors will also abstain from voting and ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in PPH on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them (if any) under the Proposed Scheme at PPH's EGM to be convened. The interested directors have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company at the relevant Board meetings and on the resolution pertaining to their entitlements under the Proposed Scheme to be tabled at PPH's EGM to be convened.

As at the LPD, the shareholdings of the Directors are as follows:

Name	Direct		Indirect	
	No. of Shares)	%	No. of Shares	%
Koay Chiew Poh	4,226,480	3.85	49,167,670 ⁽¹⁾	44.74
Koay Chiew Kang	1,069,896	0.97	4,038,664 ⁽²⁾	3.67
Koay Teng Liang	46,664	0.04	-	-
Koay Teng Kheong	-	-	-	-
Nurjannah Binti Ali	-	-	-	-
Ng Thim Fook	-	-	-	-
Ong Eng Choon	-	-	-	-
Koay Chue Beng	358,692	0.33	3,935,000 ⁽³⁾	3.58

Notes:

⁽¹⁾ Deemed interested by virtue of Section 8 of the Act held through Fame Pack Holdings Sdn Bhd and Koay Boon Pee Holding Sdn Bhd.

⁽²⁾ Deemed interested by virtue of Section 8 and Section 59(11)(c) of the Act held through Koay Boon Pee Holding Sdn Bhd and his spouse respectively.

⁽³⁾ Deemed interested by virtue of Section 8 of the Act held through Koay Boon Pee Holding Sdn Bhd.

As at the LPD, the shareholdings of the major shareholders are as follows:

Name	Direct		Indirect	
	No. of Shares)	%	No. of Shares	%
Fame Pack Holdings Sdn Bhd	45,232,670	41.16	-	-
Koay Chiew Poh	4,226,480	3.85	49,167,670 ⁽¹⁾	44.74
Ooi Siew Hong	-	-	49,167,670 ⁽¹⁾	44.74

Note:

⁽¹⁾ Deemed interested by virtue of Section 8 of the Act held through Fame Pack Holdings Sdn Bhd and Koay Boon Pee Holding Sdn Bhd.

Pursuant to the above, the major shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in PPH on the resolution pertaining to their respective allocations (if any) as well as allocations to persons connected with them (if any) under the Proposed Scheme at PPH's EGM to be convened and has undertaken to ensure that persons connected with them will abstain from voting in respect of its direct and/or indirect shareholdings in PPH on the resolutions pertaining to their allocations (if any) under the Proposed Scheme at PPH's EGM to be convened.

Save as disclosed above, none of the directors and/or major shareholders of PPH, and/or persons connected with them have any interest, direct or indirect, in the Proposals.

7. DIRECTORS' STATEMENT

Having considered all aspects of the Proposals, the Board is of the opinion that the Proposals are in the best interest of the Company.

8. PRINCIPAL ADVISER

Mercury Securities has been appointed by the Company as the Principal Adviser for the Proposals.

9. APPLICATIONS TO RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application for the Proposals to Bursa Securities is expected to be submitted within two (2) months from the date of this announcement.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Bonus Issue and the Proposed Scheme are expected to be completed and implemented, respectively by the third (3rd) quarter of 2017.

This announcement is dated 19 June 2017.