

PROPOSED JOINT VENTURE

1.0 INTRODUCTION

The Board of Directors of Public Packages Holdings Berhad (162413-K) ("PPH" and the "the Company") wishes to announce that the PPH has on 12 November 2015 entered into a Shareholders' Agreement ("JVA") with Ripro Sdn Bhd (153076-X) ("Ripro") to carry out the business as property investment and management activities by restructuring the Company's existing wholly owned subsidiary, New Merit Development Sdn. Bhd. (982824-M) ("JV Company") and the said details of the restructuring are stated hereinbelow.

2.0 DETAILS OF PROPOSED JOINT VENTURE PARTNER

Ripro Sdn Bhd ("Ripro") is incorporated in Malaysia on 7 May 1986.

The authorised share capital of Ripro RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 shares each. The issued and paid up shares capital of Ripro is RM2,250,000 divided into 2,250,000 ordinary shares of RM1.00 each.

Ripro is principally engaged in the business of investment holding.

3.0 THE DETAILS OF THE PROPOSED JOINT VENTURE COMPANY

New Merit Development Sdn. Bhd. is a wholly owned subsidiary company of PPH, which was incorporated in Malaysia on 17 March 2012 and is currently dormant.

The existing authorised share capital of JV Company is RM10,000,000, divided into 10,000,000 ordinary shares of RM1.00 each and the existing issue and paid up capital of JV Company is RM7,900,000 divided into 7,900,000 ordinary shares of RM1.00 each.

4.0 THE TERMS OF THE JVA

PPH has on 12 November 2015 entered into a Shareholders' Agreement with Ripro.

PPH and Ripro have on 12 November 2015 entered into a Subscription Agreement with JV Company. Ripro has agreed to subscribe for 7,900,000 shares for a total cash consideration of RM9,500,000 based on the unaudited carrying value of JV company as at 31 October 2015 and to restructure the shareholding to be as follows:

The details of the JV Company:-

The existing structure (before restructuring)

The issued and paid capital of JV company is RM7,900,000 divided into 7,900,000 ordinary shares of RM1.00 each as follows:-

Shareholder	Percentage	Number of shares
PPH	100%	7,900,000

After restructuring

The issued and paid capital of Company is RM15,800,000 divided into 15,800,000 ordinary shares of RM1.00 each as follows:-

Shareholder	Percentage	Number of shares held in increased paid up capital
PPH	50%	7,900,000
Ripro	50%	7,900,000

The Board of directors in JV Company shall consist of not less than (2) two and not more than four (4) Directors as follows:-

<u>Name</u>	<u>No. of Directors</u>
PPH	Two (2)
Ripro	Two (2)

The chairman of the Board shall be one of the four (4) Directors.

5.0 RATIONALE FOR PROPOSED JOINT VENTURE

The Proposed Joint Venture is undertaken as part of PPH's plan to venture into property investment and management activities by providing an additional source of income and contribute positively to the future financial performance of the Group.

6.0 APPROVAL REQUIRED

The Proposed Joint Venture is not subject to the approval of the shareholders of PPH and other relevant authorities and/or parties.

7.0 SOURCE OF FINANCING

The investment in JV Company is financed via internally generated funds.

8.0 FINANCIAL EFFECTS

8.1 Share Capital and substantial shareholdings' shareholding

The Proposed Joint Venture will not have any effect on the issued and paid up share capital and substantial shareholders' shareholding of PPH.

8.2 Earnings

The Proposed Joint Venture is not expected to have any material effect on the consolidated earnings per share for the year ending 31 December 2015. However, the Proposal is expected to contribute positively to earnings of PPH in future.

8.3 Net Assets and gearings

The Proposed Joint Venture is not expected to have any material effect on the consolidated net assets per shares and gearing of PPH Group for the financial year ending 31 December 2015 as the total cost will be funded via internally generated funds.

9.0 EXPECTED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Proposed Joint Venture is expected to be completed by December 2015.

10.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors or major shareholders or persons connected to the Directors or major shareholders has any direct and indirect interest in the Proposed Joint Venture.

11.0 DIRECTORS' STATEMENT

The Board of Directors of PPH, having considered all factors is of the opinion that the Proposed Joint Venture is in the best interest of the Company.

12.0 HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Joint Venture pursuant to paragraph 10.02 (g) of the Main Market Listing Requirements of Bursa Securities is 14.38%, which based on the latest audited consolidated financial statements of PPH for the financial year ended 31 December 2014.

13.0 DOCUMENTS FOR INSPECTION

The Shareholders' Agreement and Subscription Agreement are available for inspection at the registered office situated at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 19 November 2015.