

PUBLIC PACKAGES HOLDINGS BERHAD (162413-K)

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)

1. INTRODUCTION

Pursuant to Paragraph 10.09(1)(b)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors of Public Packages Holdings Berhad (162413-K) (“PPHB” and “the Company”) wishes to announce that the PPHB Group had in the ordinary course of its business, entered into RRPTs as disclosed below. For the period from 1 January 2017 to 13 July 2017, the aggregate amount of such RRPTs stands at RM1,167,751, exceeding the RM 1 million threshold:

Transacting Company within the PPHB Group	Related Party	Nature of relationship between PPHB Group and the related party	Nature of Transaction	Amount of Transactions (RM)
Public Packages Sdn. Bhd.	Koay Boon Pee Holding Sdn. Bhd.	A company in which the directors of PPHB, namely Messrs. Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, have equity interest.	Rental	37,200
	Ooi Siew Hong	A director of PPHB’s subsidiaries and connected to certain directors of PPHB, namely Messrs. Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng, Koay Teng Liang, and Koay Teng Kheong.	Rental	2,700
PPH Printing & Packaging (Penang) Sdn. Bhd.	Koay Boon Pee Holding Sdn. Bhd.	A company in which the directors of PPHB, namely Messrs. Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, have equity interest.	Rental	25,800
Public Packages (NT) Sdn. Bhd.	City Packaging Industry Sdn. Bhd.	A company in which person connected to certain directors of PPHB, namely Messrs. Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng, Koay Teng Liang, and Koay Teng Kheong, have equity interest.	Sales of carton boxes	1,442
	Koay Boon Pee Holding Sdn. Bhd.	A company in which the directors of PPHB, namely Messrs. Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, have equity interest.	Rental	52,200
	Koay Teng Kheong	Director of PPHB.	Rental	12,000
Public Packages Asia (S) Pte. Ltd.	Fame Pack Holdings Sdn. Bhd.	A substantial shareholder of PPHB, in which Mr Koay Chiew Poh, a director of PPHB have equity interest.	Rental	41,164
Public Packages Asia Sdn. Bhd.	Koay Boon Pee Holding Sdn. Bhd.	A company in which the directors of PPHB, namely Messrs. Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, have equity interest.	Rental	80,800
	Denson SCM Sdn. Bhd.	A 100% owned sub-subsidiary of Koay Boon Pee Holding Sdn Bhd.	Sales of paper products	588,097
	Denson SCM Sdn. Bhd.	A 100% owned sub-subsidiary of Koay Boon Pee Holding Sdn Bhd.	Commission	204,548
	Fame Pack Holdings Sdn. Bhd.	A substantial shareholder of PPHB, in which Mr Koay Chiew Poh, a director of PPHB have equity interest.	Rental	91,800
	Koay Teng Liang	Director of PPHB.	Rental	27,000
PPH Management Sdn. Bhd.	Pearl Island Resort Development Sdn. Bhd.	A company of which its directors, namely Messrs. Koay Chiew Poh and Koay Chiew Kang, are also directors of PPHB.	Management fee	3,000

2. RATIONALE

The RRPTs entered into by the Group are of a revenue or trading nature and are within the ordinary course of business of the Group. They are recurring transactions of a revenue nature transacted from time to time. The RRPTs have been entered into on normal commercial terms consistent with the Group’s usual business practices and policies and on terms no more favourable to the related parties than those generally available to the public.

3. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save as disclosed above, none of the other Directors and/or major shareholders of the Company and/or persons connected to them, has any interest, directly or indirectly, in the RRPTs.

4. FINANCIAL EFFECTS OF THE RRPTs

4.1 Share Capital and Substantial Shareholders' Shareholdings

The RRPTs will not have any effect on the issued and paid-up capital of the Company and the substantial shareholders' shareholdings in the Company.

4.2 Earnings

The RRPTs are not expected to have any material effect on the consolidated earnings and earnings per share of the Group for the financial year ending 31 December 2017.

4.3 Net Assets and Gearings

The RRPTs are not expected to have any material effect on the consolidated net assets per share and gearing of the Group for the financial year ending 31 December 2017.

5. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee had reviewed the terms of the RRPTs and is satisfied that the terms are:

- (i) in the best interest of the Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the Company's minority shareholders.

6. STATEMENT BY THE DIRECTORS

The Board had considered all aspects of the RRPTs and is of the opinion that the RRPTs are established under competitive commercial terms and is in the best interest of the Group and is not to the detriment of the minority shareholders of the Company.

7. APPROVAL REQUIRED

The RRPTs does not require approval of the shareholders of the Company.

This announcement is dated 13 July 2017.