

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of this Circular in relation to the Proposed Bonus Issue (as defined herein) prior to the issuance of this Circular as the said contents fall under the category of Exempt Circular in accordance with Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**PUBLIC PACKAGES HOLDINGS BERHAD**

(Company No: 162413-K)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

- (I) PROPOSED BONUS ISSUE OF 78,497,499 NEW ORDINARY SHARES IN PUBLIC PACKAGES HOLDINGS BERHAD (“PPH”) (“PPH SHARE(S)” OR “SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF FIVE (5) BONUS SHARES FOR EVERY SEVEN (7) EXISTING PPH SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;**
- (II) PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF A SHARE ISSUANCE SCHEME (“SCHEME”) OF UP TO FIFTEEN PERCENT (15%) OF PPH’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 AND AN EMPLOYEE SHARE GRANT SCHEME; AND**
- (III) PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**Mercury Securities Sdn Bhd (113193-W)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“EGM”) of PPH to be held at 3<sup>rd</sup> Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Tuesday, 29 August 2017 at 10.00 a.m. or at any adjournment thereof, together with the Form of Proxy are enclosed herein.

If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the completed Form of Proxy must be lodged at the Company’s registered office at Wisma Public Packages, Plot 67, Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang, no later than twenty-four (24) hours before the time appointed for the taking of the poll or any adjournment thereof. The lodging of the Form of Proxy will 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 Form of Proxy : Monday, 28 August 2017 at 10.00 a.m. (being the approximate time appointed for the taking of the poll at the EGM)

Date and time of the EGM : Tuesday, 29 August 2017 at 10.00 a.m.

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## DEFINITIONS

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The following definitions shall apply throughout this Circular, unless the context requires otherwise:

AGM	:	Annual General Meeting
Audit Committee	:	The Audit Committee of PPH
Award	:	An Offer which has been accepted by an Eligible Person
Board	:	Board of Directors of PPH
Bonus Share(s)	:	The 78,497,499 new PPH Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
By-Laws	:	By-Laws governing the Proposed Scheme, as amended, modified and/or supplemented from time to time, the draft of which is set out in Appendix I of this Circular
Circular	:	This circular dated 14 August 2017
Companies Act	:	Companies Act, 2016, as amended from time to time, and any re-enactment thereof
Director	:	A person defined in Section 2(1) of the Capital Markets and Services Act, 2007 and for the purposes of Recurrent Related Party Transactions includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or a chief executive officer of the Company, its subsidiaries or holding company
Effective Date	:	The date the Scheme takes effect, being the date of full compliance with all relevant requirements of the Listing Requirements
EGM	:	Extraordinary General Meeting
Eligible Person(s)	:	(i) In respect of the Proposed ESOS: (a) a selected employee of the Group; (b) an Executive Director of the Company; or (c) a Non-Executive Director of the Company; and (ii) In respect of the Proposed ESGS: (a) a selected management officer of the Group; or (b) an Executive Director of the Company
Entitled Shareholder(s)	:	Shareholders of PPH whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	:	The date to be determined and announced later by the Board, as at the close of business on which shareholders of PPH must be registered in the Record of Depositors in order to be entitled to participate in the Proposed Bonus Issue
EPS	:	Earnings per share

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**DEFINITIONS (Cont'd)**

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ESGS Offer	:	An offer made in writing by the Scheme Committee to an Eligible Person pursuant to the Proposed ESGS
ESOS Offer	:	An offer made in writing by the Scheme Committee to an Eligible Person under the Proposed ESOS pursuant to which the ESOS Options may be granted under the By-Laws
ESOS Option(s)	:	The right to subscribe for new Shares under the Proposed ESOS which may be granted under the By-Laws
Executive Director	:	A natural person who holds directorship in the Company and performs an executive function
Exercise Price	:	The price at which an Eligible Person is entitled to subscribe for the Shares pursuant to an ESOS Option under the Proposed ESOS at a price to be determined according to the terms of the By-Laws
FPE	:	Financial period ending / ended
FYE	:	Financial year ending / ended
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	8 August 2017, being the latest practicable date prior to the issuance of this Circular
Market Day(s)	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maximum Shares Available	:	The maximum number of Shares which may be made available under the Scheme shall not exceed fifteen percent (15%) of the then issued share capital (excluding treasury shares) of the Company at any such point of time, from time to time, during the duration of the Scheme
Mercury Securities or Principal Adviser	:	Mercury Securities Sdn Bhd (113193-W)
MFRS 2	:	Malaysian Financial Reporting Standard 2 for Share-Based Payment as issued by the Malaysian Accounting Standards Board
NA	:	Net assets
Non-Executive Director	:	A director of the Company who is not an Executive Director of the Company
Offer	:	Either ESOS Offer or ESGS Offer, as the case may be
PPH or Company	:	Public Packages Holdings Berhad (162413-K)
PPH Group or Group	:	PPH and its subsidiaries, collectively
PPH Share(s) or Share(s)	:	Ordinary share(s) in PPH
Proposals	:	The Proposed Bonus Issue and the Proposed Scheme, collectively
Proposed Bonus Issue	:	Proposed bonus issue of 78,497,499 new Bonus Shares on the basis of five (5) Bonus Shares for every seven (7) existing PPH Shares held on the Entitlement Date

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**DEFINITIONS (Cont'd)**

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Proposed ESGS	:	Proposed employees' share grant scheme
Proposed ESOS	:	Proposed employees' share options scheme
Proposed Scheme or Scheme	:	Proposed establishment and implementation of a share issuance 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 Persons, comprising the Proposed ESOS and the Proposed ESGS
Proposed Shareholders' Mandate	:	Proposed shareholders' mandate in respect of the RRPT to be entered into by PPH Group from the date of the EGM up to the next AGM of the Company as set out in Section 2.3.3 of this Circular
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository
Related Party(ies)	:	Director(s), major shareholder(s) or person(s) connected with such Director(s) or major shareholder(s)
RM and Sen	:	Ringgit Malaysia and sen, respectively
RRPT(s)	:	Related Party transaction(s) which are recurrent, of a revenue or trading in nature and which are necessary for day-to-day operations of the PPH Group
Scheme Committee	:	The committee comprising Directors and/or other officers or executives of the Company appointed by the Board to implement and administer the Scheme, in accordance with the By-Laws
Scheme Participant(s)	:	An Eligible Person who has duly accepted an Offer in accordance with the By-Laws
Trustee	:	A trustee to be appointed by the Company for the Scheme from time to time, if required
VWAMP	:	Five (5)-day volume weighted average market price

All references to "the Company" in this Circular are to PPH and "the Group" is to the PPH Group. References to "we", "us", "our" and "ourselves" are to the Company and where the context requires, shall include our subsidiaries. All references to "you" in this Circular are to the shareholders of PPH.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment or guideline in this Circular is a reference to that enactment or guideline as for the time being amended, modified or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**PUBLIC PACKAGES HOLDINGS BERHAD**

(Company No: 162413-K)

(Incorporated in Malaysia)

**Registered Office**

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

14 August 2017

**Board of Directors:**

Koay Chiew Poh (*Executive Chairman*)  
Koay Chiew Kang (*Executive Director*)  
Koay Teng Liang (*Executive Director*)  
Koay Teng Kheong (*Executive Director*)  
Nurjannah Binti Ali (*Independent Non-Executive Director*)  
Ng Thim Fook (*Independent Non-Executive Director*)  
Ong Eng Choon (*Independent Non-Executive Director*)  
Koay Chue Beng (*Alternate Director to Koay Chiew Poh*)

**To: The shareholders of PPH**

Dear shareholders,

- (I) **PROPOSED BONUS ISSUE; AND**  
(II) **PROPOSED SCHEME**
- 

**1. INTRODUCTION**

On 19 June 2017, Mercury Securities, on behalf of the Board, announced that the Company proposes to undertake the following:

- (i) Proposed Bonus Issue; and
- (ii) Proposed Scheme.

On 14 July 2017, Mercury Securities, on behalf of the Board, announced that the Company has proposed to seek its shareholders' approval for the Proposed Shareholders' Mandate.

On 20 July 2017, Mercury Securities, on behalf of the Board, announced that the listing application together with the Circular in relation to the Proposals had been submitted to Bursa Securities.

On 7 August 2017, Mercury Securities, on behalf of the Board, announced that Bursa Securities had, vide its letter on the same day, approved the following, subject to the conditions set out in Section 6 of this Circular:

- (i) listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities; and
- (ii) listing of and quotation for the new PPH Shares to be issued pursuant to the Proposed Scheme.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **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 Entitled Shareholders.

As at the 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, if any, 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 profits and share premium accounts.

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

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### 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)
<b>After the Proposed Bonus Issue</b>	<b>-</b>	<b>1,253</b>	<b>1,253</b>

### 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 <sup>(1)</sup>	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)
<b>After the Proposed Bonus Issue</b>	<b>-</b>	<b>1,455</b>	<b>1,455</b>

Note:

<sup>(1)</sup> Under the no par value regime of the new Companies 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, Sections 618(3) and (4) of the Companies Act provides that the Company may use its share premium account to fully pay up the Bonus Shares within a 24-month period from 31 January 2017.

In accordance with Paragraph 6.30(1) of the 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.

The Board confirms that the Proposed Bonus Issue and the use of the Company's share premium for the purpose of the Proposed Bonus Issue is and will be in full compliance with Sections 618(3) and (4) of the Companies Act applied in accordance with Practice Note No. 1/2017 dated 8 February 2017 issued by Companies Commission of Malaysia.

#### **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 precedes the date of allotment of the Bonus Shares.



#### **2.1.4 Listing of and quotation for the Bonus Shares**

Bursa Securities had, vide its letter dated 7 August 2017, approved the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities subject to the conditions disclosed in Section 6 of this Circular.

The Bonus Shares will be listed on the Main Market of Bursa Securities on the next Market Day after the Entitlement Date.

#### **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 to the Eligible Persons as set out in the By-Laws.

The Proposed Scheme will be administered by the 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 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 ESOS Options to subscribe for PPH Shares at a prescribed subscription price subject to the applicable terms and conditions of the By-Laws.

Should any Eligible Person decide to accept the ESOS Offer, the ESOS Options shall be vested to the relevant Scheme Participants and may be subject to the fulfilment of such vesting conditions as may be determined by the Scheme Committee, in accordance with the terms of the By-Laws.

As at the LPD, the Company has yet to ascertain any performance target, vesting conditions and vesting period that must be achieved prior to the exercise of the ESOS Options. In any event, the performance target, vesting conditions and vesting period (if any) will be determined by the Scheme Committee. The determination whether the Scheme Participant has achieved any of the stipulated performance targets, vesting conditions, and/or other conditions of the Eligible Person as set forth in an ESOS Offer during the performance period shall be determined by the Scheme Committee at its sole and absolute discretion.

The subscription price payable for each PPH Share upon the exercise of the ESOS Option shall be determined by the Board upon recommendation of the Scheme Committee, based on the five (5)-day 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 from time to time during the duration of the Scheme.

##### **2.2.2 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 to selected management officer of the Group and executive directors of the Company.

Should any Eligible Person decide to accept the ESGS Offer, the ESGS Offers will be vested to the Scheme Participants at no consideration, subject to the Scheme Participants' fulfilment 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 Offers 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 ESGS Offers to the Scheme Participants is subject to their fulfilment 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 Offer.

### **2.2.3 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 Offer 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 Companies 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 the prevailing market price of PPH Shares, funding considerations, dilutive effects of any issuance on share capital base, and cash requirements of the Group.

To facilitate the implementation and administration of the Proposed ESGS, the Company may (but shall not be obliged to), establish a trust to be administered by a 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.

### **2.2.4 Salient terms of the Proposed Scheme**

The salient terms of the Proposed Scheme are as follows:

#### **2.2.4.1 Maximum number of shares available under the Scheme**

Subject to clause 3.2 of the By-Laws, and subject to any adjustment as may be required to the relevant numbers of Shares pursuant to Schedule 1 of the By-Laws, the maximum number of Shares which may be made available under the Scheme shall not, when aggregated with the total number of new Shares allotted and issued and/or to be allotted and issued under any other scheme involving new issuance of Shares which may be implemented from time to time by the Company, exceed fifteen percent (15%) of the then issued share capital (excluding treasury shares, if any) of the Company at any such point of time, from time to time, during the duration of the Scheme.

In the event that the Company purchase or cancels its own shares in accordance with the provisions of Section 127 of the Companies Act or otherwise howsoever, or undertakes any other corporate proposal resulting in a reduction of its issued share capital, the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptances, and Awards that have not been vested and/or Awards that have been vested, prior to such purchase and/or reduction of the issued share capital of the Company shall remain valid in accordance with the provisions of the Scheme as if that reduction had not occurred):

- (a) if, after such purchase, cancellation or reduction, the aggregate number of Shares comprised in all the valid Offers which are pending acceptances, Awards that have not been vested and/or Awards that have been vested as of the date of purchase, cancellation or reduction of shares is greater than the Maximum Shares Available, no further Offers shall be made by the Scheme Committee until such aggregate number of shares falls below the Maximum Shares Available; or
- (b) if, after such purchase, cancellation or reduction, such aggregate number of shares is less than the Maximum Shares Available, the Scheme Committee may make further Offers provided that such aggregate number of Shares and the future Offers is equivalent to the Maximum Shares Available after such purchase, cancellation or reduction.

#### **2.2.4.2 Eligibility**

Any Eligible Person who meets the following criteria as of the date of an Offer shall be eligible for consideration and selection as an Eligible Person by the Scheme Committee:

- (i) if he has attained the age of eighteen years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;
- (ii) if he, with the exception of a Non-Executive Director, entered into a full-time or fixed term contract with, and is on the payroll of the Group, and whose service has been confirmed;
- (iii) if he is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration (or any other contract as may be determined by the Scheme Committee);
- (iv) if he is a Director, chief executive, major shareholder of the Company or a person connected with them, the specific allocation of Shares granted by the Company under the Scheme to him in his capacity as a Director, chief executive, major shareholder of the Company or to a person connected with them has been approved by shareholders of the Company at a general meeting; and
- (iv) if he fulfils any other criteria and/or falls within such category as may be determined by the Scheme Committee from time to time.

Subject to applicable law, the Scheme Committee may vary or revise any of the criteria set forth at any time and from time to time.

Eligibility for consideration under the Scheme does not confer an Eligible Person with any right whatsoever under or to participate in the Scheme.

The selection of any Eligible Person for participation in the Scheme shall be made by the Scheme Committee. The decision of the Scheme Committee shall be final and binding.

#### **2.2.4.3 Basis of allotment and maximum allowable allocation**

Subject to Section 2.2.4.1 of this Circular and any adjustment(s) which may be made under Schedule 1 of the By-Laws, the aggregate maximum number of Shares that may be allocated:

- (i) between the ESOS Options and the ESGS Offers; and
- (ii) to any one category or designation of Eligible Person,

shall be determined by the Scheme Committee, on an annual basis, provided that the allocation to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with that Eligible Person, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company, shall not exceed ten percent (10%) of the Maximum Shares Available.

An Eligible Person or a Scheme Participant who is a member of the Scheme Committee shall abstain from any deliberation in connection with any Offer made or to be made to him or any Award held by him.

Notwithstanding anything contained in these By-Laws, the Scheme Committee shall not in any way be obliged to make an offer to any Eligible Person.

Pursuant to the Scheme, the Scheme Committee may, at any time and from time to time, during the duration of the Scheme, make one or more Offers to Eligible Persons to participate in the Scheme.

#### **2.2.4.4 Duration and termination of the Scheme**

The Scheme shall take effect on the Effective Date and shall continue to be in force for a period of five (5) years thereafter, provided that (if new Shares are to be allotted and issued under the Scheme) the following conditions have been fulfilled:

- (i) the approval of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme on the Main Market of Bursa Securities;
- (ii) the approval of the shareholders of the Company;
- (iii) the submission to Bursa Securities of a copy of the final By-Laws together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements; and
- (iv) the fulfilment of all conditions attached to the approvals referred to in Sections 2.2.4.4 (i) and (ii), if any.

The Scheme may be extended by the Board for a period of up to another five (5) years from the expiry of the first five (5) years. Any extension shall not, in aggregate with the first five (5) years, exceed ten (10) years from the Effective Date or such other period as may be allowed by the relevant authorities.

All unaccepted Offers shall forthwith cease to be capable of acceptance, and all unvested ESOS Options, unvested ESGS Offers or unvested Shares shall forthwith cease to be capable of vesting, upon expiration of the Scheme.

#### **2.2.4.5 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 Offers 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 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 Offers under the Scheme will be subject to the provisions of the Constitution of the Company.

#### **2.2.4.6 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 Offers.

#### **2.2.4.7 Retention Period**

The new Shares to be allocated to Scheme Participants pursuant to the By-Laws will not be subjected to any retention period, unless the Scheme Committee stipulates otherwise in the Offer.

However, a Scheme Participant who is a Non-Executive Director must not sell, transfer or assign the Shares obtained through the exercise of ESOS Options awarded to him, if any, within one (1) year from the date of the Offer.

#### **2.2.4.8 Listing of and quotation for the PPH Shares**

Bursa Securities had, vide its letter dated 7 August 2017, approved the listing of and quotation for new Shares, representing up to fifteen percent (15%) of the Company's total issued share capital (excluding treasury shares) to be issued pursuant to the Proposed Scheme on the Main Market of Bursa Securities subject to the conditions disclosed in Section 6 of this Circular.

### **2.3 Proposed Shareholders' Mandate**

#### **2.3.1 Listing Requirements**

Pursuant to Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements, the Company may seek a mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party 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 financial year where the aggregate value is based on the following threshold:

in relation to an issued share capital of PPH of RM60 million and above:

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (ii) the percentage ratio of such aggregated transaction is 1% or more,

whichever is the higher; or

in relation to an issued share capital of PPH which is less than RM60 million:

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (ii) the percentage ratio of such aggregated transaction is 1% or more,

whichever is the lower;

- (c) a circular is issued to shareholders for the shareholders' mandate includes the 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;
- (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 to approve 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; and

- (e) immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

### 2.3.2 Principal activities of PPH Group

The principal activities of PPH are investment holding and the provision of financial, administrative and advisory services to subsidiaries whilst the principal activities of its subsidiaries are as follows:

Name of Company	Effective Equity Interest (%)	Principal Activities
<b><u>Direct subsidiaries:</u></b>		
Public Packages Sdn Bhd	100	Manufacturing and retailing of corrugated cartons and packing materials
PPH Printing & Packaging (Penang) Sdn Bhd	100	Manufacturing of offset printed display boxes
PPH Printing & Packaging (Kulim) Sdn Bhd	100	Manufacturing of gift and display boxes
Public Packages Properties Sdn Bhd	100	Property investment
PPASIA Media Packaging Sdn Bhd	100	Design and sale of paper products
PPH Plaza Sdn Bhd	100	Property development and hotel management. However, the subsidiary did not undertake such activities during the financial year. Instead the subsidiary lets out its property for rental income.
PPH Resources Sdn Bhd	100	Investment holding
PPH Management (M) Sdn Bhd	100	Provision of management services
<b><u>Indirect subsidiaries:</u></b>		
Public Packages (NT) Sdn Bhd	100	Manufacturing of corrugated cartons
Public Packages (Prai) Sdn Bhd	100	Manufacturing and retailing of corrugated cartons and packing materials
Tharco Container (Malaysia) Sdn Bhd	100	Retailing of corrugated cartons, display boxes and packing materials
Quay Hotel Sdn Bhd	100	Dormant
Public Packages (Shah Alam) Sdn Bhd	100	Manufacturing and sale of corrugated cartons and packing materials
PPH Display Design Sdn Bhd	100	Trading of paper products and providing poster printing services
Public Packages Asia Sdn Bhd	100	Manufacturing of paper products and packaging materials
Public Packages Asia (S) Pte Ltd (Incorporated in Singapore)*	100	Total packaging solution provider

Note:

\* Subsidiary not audited by Grant Thornton

### 2.3.3 Details of the RRPT

The types of RRPT which are to be covered by the Proposed Shareholders' Mandate and the estimated values of the RRPT are disclosed in the following table:

Transacting Company within the PPH Group	Related Party	Nature of relationship between PPH Group and the Related Party	Nature of transaction	Estimated aggregate value of transaction from forthcoming EGM on 29 August 2017 to the next AGM* (RM'000)
Public Packages (NT) Sdn Bhd	City Packaging Industry Sdn Bhd	Note (1)	Sales of carton boxes	50
PPH Printing & Packaging (Kulim) Sdn Bhd	City Packaging Industry Sdn Bhd	Note (1)	Sales of retail boxes	50
Public Packages Asia (S) Pte Ltd	Fame Pack Holdings Sdn Bhd	Note (2)	Rent of office lot (91 square metres) for three (3) years at rental of SGD2,200 per month	100
Public Packages Asia Sdn Bhd	Denson SCM Sdn Bhd	Note (3)	Sales of paper products and agent fee	4,000
Public Packages Asia Sdn Bhd	Fame Pack Holdings Sdn Bhd	Note (2)	(i) Rent of property (130.71 square metres) for staff accommodation for three (3) years at rental of RM1,800 per month; (ii) Rent of property (305 square metres) for staff accommodation for three (3) years at rental of RM4,500 per month; and (iii) Rent of property (289.67 square metres) for office lot for three (3) years at rental of RM9,000 per month	200
Public Packages Asia Sdn Bhd	Koay Boon Pee Holding Sdn Bhd	Note (4)	Rent of equipment	250
Public Packages Asia Sdn Bhd	Koay Teng Liang	Note (5)	Rent of property (188.02 square metres) for staff accommodation for three (3) years at rental of RM4,500 per month	60
Public Packages Sdn Bhd	Ooi Siew Hong	Note (6)	Rent of property (46.45 square metres) for staff accommodation for three (3) years at rental of RM450 per month	10
Public Packages Sdn Bhd	Koay Boon Pee Holding Sdn Bhd	Note (4)	Rent of equipment	100
PPH Printing & Packaging (Penang) Sdn Bhd	Koay Boon Pee Holding Sdn Bhd	Note (4)	Rent of equipment	50
Public Packages (NT) Sdn Bhd	Koay Boon Pee Holding Sdn Bhd	Note (4)	Rent of equipment	150

Transacting Company within the PPH Group	Related Party	Nature of relationship between PPH Group and the Related Party	Nature of transaction	Estimated aggregate value of transaction from forthcoming EGM on 29 August 2017 to the next AGM* (RM'000)
Public Packages (NT) Sdn Bhd	Koay Teng Kheong	Note (7)	Rent of property (103.28 square metres) for staff accommodation for three (3) years at rental of RM2,000 per month	30

Notes:

\* The estimated values disclosed may vary subject to changes.

^ SGD = Singapore Dollars

(1) Ooi Teong Huat, a major shareholder who holds 99% equity interest in City Packaging Industry Sdn Bhd. Ooi Teong Huat is the brother of Ooi Siew Hong, the brother-in-law of Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee, and the uncle of Koay Teng Liang and Koay Teng Kheong. Both City Packaging Industry Sdn Bhd and Ooi Teong Huat are not shareholders of PPH.

(2) Fame Pack Holdings Sdn Bhd is a major shareholder of PPH. Both Koay Chiew Poh and Ooi Siew Hong are directors and shareholders of PPH and Fame Pack Holdings Sdn Bhd.

(3) Denson SCM Sdn Bhd is a wholly-owned subsidiary of Koay Boon Pee Holding Sdn Bhd, a shareholder of PPH. Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng are directors and shareholders of PPH and Koay Boon Pee Holding Sdn Bhd. Denson SCM Sdn Bhd is not a shareholder of PPH.

(4) Koay Boon Pee Holding Sdn Bhd is a shareholder of PPH. Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng are directors and shareholders of PPH and Koay Boon Pee Holding Sdn Bhd. Ooi Siew Hong, a spouse to Koay Chiew Poh is a shareholder of Koay Boon Pee Holding Sdn Bhd.

Koay Chiew Lee is a managing director of Public Packages Asia Sdn Bhd, Public Packages Sdn Bhd and Public Packages (NT) Sdn Bhd. He is also a director and shareholder of Koay Boon Pee Holding Sdn Bhd. He is the brother of Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, and the uncle of Koay Teng Liang and Koay Teng Kheong.

(5) Koay Teng Liang is an executive director of PPH Group and a shareholder of PPH.

(6) Ooi Siew Hong is a director of Public Packages Sdn Bhd. She is also a shareholder of PPH by virtue of her shareholdings in Fame Pack Holdings Sdn Bhd and Koay Boon Pee Holding Sdn Bhd.

(7) Koay Teng Kheong is an executive director of PPH Group.

### 2.3.4 Review procedures for RRPT

PPH Group had established and implemented the following guidelines and review procedures to ensure that RRPTs 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:

(a) Identification

- (i) a list of the Related Parties will be circulated within the Group to notify that all RRPTs are required to be undertaken on an arm's length basis, under normal commercial terms consistent with the Group's business practices and policies, on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders of PPH.



- (ii) all companies within the Group are required to inform the Internal Auditors before entering into any RRPTs other than those entered into pursuant to the shareholders' mandate. The Internal Auditors is to report on all transactions involving Related Parties, which are to be tabled to the Audit Committee for review on a quarterly basis.

(b) Authorisation

- (i) on identification or occurrence of a RRPT, the Related Parties will be informed of their responsibilities, obligations under the Listing Requirements and the Group's procedures and guidelines for RRPTs.
- (ii) if a member of the Board has an interest, direct or indirect, in any RRPT, he or she shall abstain from any deliberations, decision-making and voting in respect of the said transaction.
- (iii) the transactions prices, terms and conditions are determined by market forces of supply and demand under similar, commercial terms for transactions with third parties.
- (iv) where a transaction is with a value of more than RM500,000, it will be reviewed and approved by the Board. And whereas, if a transaction value is RM500,000 or less, it will be reviewed and approved by one senior management who has no interest in the transaction.
- (v) wherever practicable, 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 detriment of the Company, its group of companies and minority shareholders of the Company.

(c) Monitoring and reporting

- (i) a register shall be maintained by the respective companies within the Group to record all RRPTs.
- (ii) the internal auditors will conduct periodic review on all RRPTs to ascertain that the guidelines and procedures established to monitor all RRPTs have been complied with. Any non-compliance, the Internal Auditors will notify the Audit Committee immediately. However, for any minor divergence, the Internal Auditors will report in their quarterly Internal Audit Report to the Audit Committee.
- (iii) the Audit Committee will review the Internal Audit Reports prepared by the Internal Auditors to ascertain that the guidelines and procedures established to monitor all RRPTs have been complied with.
- (iv) the Audit Committee will also review the cumulative value of all RRPTs reported by the Internal Auditors.
- (v) disclosure on all RRPTs will be made in the annual report of the Company in accordance to Listing Requirements.

### **2.3.5 Statement by Audit Committee**

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.3.4 of this Circular and is of the opinion that the procedures, processes and the yearly review procedures including the monitoring, tracking and identifying processes are sufficient and effective to ensure that the RRPTs are entered into on arm's length basis and 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 of PPH.

The Audit Committee of the Company further affirms that the Group has in place adequate procedures and processes to identify, monitor, track and disclose RRPTs accurately and completely, in a timely and orderly manner. The procedures and processes are reviewed by the Audit Committee on a quarterly basis, or whenever the need arises.

### **2.3.6 Amount owing to our Group by related parties**

As at the LPD, there is no amount due and owing to the Company by its related parties arising from the RRPTs as set out in Section 2.3.3 of this Circular, which exceeded the credit term.

### **2.3.7 Validity period for the Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate, if approved by the shareholders, shall take effect from passing of the ordinary resolution proposed at the forthcoming EGM, and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following this EGM, at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340 of the Companies Act (subject to such extension as may be allowed pursuant to Section 340(4) of the Companies Act); or
- (iii) revoked or varied by resolution passed by shareholders in a general meeting,

whichever is earlier.

Thereafter, the approval from the shareholders will be sought for the renewal of the Proposed Shareholders' Mandate for the RRPT, as applicable, at each subsequent AGM.

## **3. RATIONALE 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) to 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.

### **3.3 Proposed Shareholders' Mandate**

The RRPTs are carried out in the ordinary course of business and intended to meet the business needs of the Group on the best possible terms. They are recurring transactions of a revenue or a trading in nature which are likely to occur with some degree of frequency. These RRPTs may be time sensitive in nature, making it impractical to seek shareholders' approval on a case by case basis before entering into such RRPT. As such, the Board is seeking for shareholders' approval for the Proposed Shareholders' Mandate under Paragraph 10.09 and Practice Note 12 of the MMLR for these RRPTs so as to facilitate the efficiency with which these transactions are carried out.

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 PPH Group and the packaging industry, prompt and better services in terms of delivery and reliability are guaranteed. Quality of goods delivered also ensured.

By obtaining the Proposed Shareholders' Mandate on an annual basis, the necessity to announce and/or convene separate general meetings of PPH to seek shareholders' approval as and when such RRPT occur would not arise. This would substantially reduce administrative time and expenses associated with the convening of general meetings on an ad hoc basis, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available therein.

## **4. EFFECTS OF THE PROPOSALS**

The Proposed Shareholders' Mandate will not have any effect on the issued share capital, NA, NA per share, gearing, earnings, EPS and substantial shareholders' shareholdings of the Group.

#### 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 Offers 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 Shares pursuant to the Proposed Scheme	28,259,099	38,714,965 <sup>(1)</sup>
<b>Enlarged issued share capital</b>	<b>216,653,096</b>	<b>132,911,963</b>

Note:

<sup>(1)</sup> For illustrative purposes only, the amount of Shares to be issued pursuant to the Proposed Scheme is based on the Exercise Price of RM1.37, which represents a discount of approximately 9.87% to the five (5)-day VWAMP of PPH Shares up to and including the LPD of RM1.52.

#### 4.2 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 <sup>(1)</sup>
<b>Shareholders' funds/ NA</b>	<b>188,378</b>	<b>188,227</b>
No. of Shares	109,896	188,393
NA per Share (RM)	1.71	1.00
Total borrowings	45,831	45,831
Gearing ratio (times)	0.24	0.24

Note:

<sup>(1)</sup> 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 Offers 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 Offers under the Scheme.

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

- (i) increase if the Exercise Price or the fair value of ESGS Offer is higher than the NA per share; or
  - (ii) decrease if the Exercise Price or the fair value of the ESGS Offer 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 the 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 <sup>(1)</sup>	44.74	7,245,394	3.85	84,287,434 <sup>(1)</sup>	44.74
Ooi Siew Hong	-	-	49,167,670 <sup>(1)</sup>	44.74	-	-	84,287,434 <sup>(1)</sup>	44.74

Note:

<sup>(1)</sup> Deemed interested by virtue of Section 8 of the Companies 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 Offers 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 Offers under the Scheme.

#### 4.4 Earnings and 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 MFRS 2, the costs arising from the ESOS Options and ESGS Offers are required to be measured at the date on which the ESOS Options and ESGS Offers are granted and recognised as an expense over the vesting period of the ESOS Options and ESGS Offers, 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 Offers under the Scheme and various factors that affect the fair value of the ESOS Options and ESGS Offers. 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 ESOS Options and ESGS Offers 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 Offers 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. HISTORICAL SHARE PRICES

The monthly highest and lowest closing market prices of PPH Shares for the past twelve (12) months are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b><u>2016</u></b>		
August	1.04	0.97
September	0.99	0.94
October	1.00	0.93
November	0.97	0.93
December	0.96	0.93
<b><u>2017</u></b>		
January	0.96	0.92
February	0.98	0.94
March	1.27	0.96
April	1.24	1.10
May	1.30	1.17
June	1.62	1.20
July	1.63	1.54
Last transacted market price of PPH Shares on 16 June 2017, being the market day prior to date of the announcement of the Proposals		RM1.37
Last transacted market price on the LPD		RM1.52

*(Source: Bloomberg)*

## 6. 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 to be issued 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, which has been obtained vide its letter dated 7 August 2017, subject to the following conditions:

No.	Conditions imposed	Status of compliance
(i)	PPH and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue and Proposed Scheme	To be complied
(ii)	Mercury Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue	To be complied
(iii)	PPH 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	To be complied
(iv)	PPH or Mercury Securities to furnish to Bursa Securities a certified true copy of the relevant resolution passed by the shareholders in general meeting approving the Proposed Bonus Issue	To be complied
(v)	Mercury Securities is 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
(vi)	Mercury Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed Scheme pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Scheme	To be complied
(vii)	PPH is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed Scheme as at the end of each quarter together with a detail computation of listing fees payable	To be complied

- (ii) shareholders of PPH at the forthcoming EGM; and
- (iii) any other relevant regulatory authorities, where applicable.

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

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

### 7.1 Proposed Bonus Issue

None of the Directors and/or major shareholders of the Company and/or persons connected with 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.

### 7.2 Proposed Scheme

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 have undertaken to 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 the forthcoming EGM.

As at the LPD, the shareholdings of the interested directors are as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Koay Chiew Poh	4,226,480	3.85	49,167,670 <sup>(1)</sup>	44.74
Koay Chiew Kang	1,069,896	0.97	4,038,664 <sup>(2)</sup>	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 <sup>(3)</sup>	3.58

Notes:

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

<sup>(2)</sup> Deemed interested by virtue of Section 8 and Section 59(1)(c) of the Companies Act held through Koay Boon Pee Holding Sdn Bhd and his spouse respectively.

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

As at the LPD, the shareholdings of the interested 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 <sup>(1)</sup>	44.74
Ooi Siew Hong	-	-	49,167,670 <sup>(1)</sup>	44.74



Note:

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

Pursuant to the above, the interested 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 the forthcoming EGM 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 the forthcoming EGM.

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 Proposed Scheme.

### 7.3 Proposed Shareholders' Mandate

Save as disclosed below, none of the directors and/or major shareholders of PPH, and/or persons connected with them have any interest, direct or indirect, in the Proposed Shareholders' Mandate:

Interested Related Parties	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
Koay Chiew Poh	4,226,480	3.85	49,167,670 <sup>(1)</sup>	44.74
Koay Chiew Kang	1,069,896	0.97	4,038,664 <sup>(2)</sup>	3.67
Koay Teng Liang	46,664	0.04	-	-
Koay Teng Kheong	-	-	-	-
Koay Chue Beng	358,692	0.33	3,935,000 <sup>(3)</sup>	3.58
<u>Interested Major Shareholders</u>				
Fame Pack Holdings Sdn Bhd	45,232,670	41.16	-	-
Koay Chiew Poh	4,226,480	3.85	49,167,670 <sup>(1)</sup>	44.74
Ooi Siew Hong	-	-	49,167,670 <sup>(1)</sup>	44.74
<u>Interested Persons</u>				
Koay Boon Pee Holding Sdn Bhd	3,935,000	3.58	-	-
Koay Chiew Lee	293,332	0.27	4,041,664 <sup>(2)</sup>	3.68

Notes:

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

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

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

Accordingly, the Interested Directors, namely Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang, Koay Teng Kheong and Koay Chue Beng have abstained and will continue to abstain from all deliberations and voting on matters relating to the Proposed Shareholders' Mandate at Board meetings.

The Interested Major Shareholders, namely Fame Pack Holdings Sdn Bhd, Koay Chiew Poh and Ooi Siew Hong will abstain from voting in respect of their direct and/or indirect shareholdings in PPH at the forthcoming EGM on the resolution pertaining to the Proposed Shareholders' Mandate.

The above Interested Director and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming EGM.

## **8. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposals including its rationale and effects of the Proposals, is of the opinion that the Proposals (save for the directors' respective allocations and/or persons connected to them under the Proposed Scheme and the Interested Directors for the Proposed Shareholders' Mandate) are in the best interest of the Company.

Accordingly, the Board (save for the directors' respective allocations and/or persons connected to them under the Proposed Scheme and the Interested Directors for the Proposed Shareholders' Mandate) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

In view that all the directors are deemed interested in the Proposed Scheme to the extent of their respective proposed allocations as well as the proposed allocations to persons connected to them, they shall abstain from expressing any opinion and making any recommendation in respect of their respective proposed allocations and proposed allocations to persons connected to them under the Proposed Scheme.

## **9. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed and implemented, respectively by the third (3<sup>rd</sup>) quarter of 2017. The tentative timetable for the implementation of the Proposals are set out below:

<b>Events</b>	<b>Tentative Date</b>
EGM for the Proposals	End August 2017
Announcement of the Entitlement Date for the Proposed Bonus Issue	End August 2017
Entitlement Date for the Proposed Bonus Issue	Mid September 2017
Listing and quotation of the Bonus Shares on the Main Market of Bursa Securities	Mid September 2017
Implementation of the Proposed Scheme	Mid September 2017

## **10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, there are no other outstanding corporate exercises which have been announced but pending completion as at the LPD.

## **11. EGM**

An EGM, the notice of which is enclosed in this Circular, will be held at 3<sup>rd</sup> Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Tuesday, 29 August 2017 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy for the EGM in accordance with the instructions printed therein as soon as possible, so as to arrive at the Company's registered office at Wisma Public Packages, Plot 67, Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang by Monday, 28 August 2017 at 10.00 a.m. (being the approximate time appointed for the taking of the poll at the EGM), not less than twenty-four (24) hours before the time appointed for the taking of the poll or any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**12. FURTHER INFORMATION**

You are advised to refer to the attached appendices set out in this Circular for further information.

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

**ONG ENG CHOON**  
Independent Non-Executive Director

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**


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**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

- (a) “Acquirer” is as defined in clause 12.
- (b) “Adviser” means a corporate finance adviser that may act as principal adviser under the SC’s Guidelines on Principal Advisers for Corporate Proposals (as amended from time to time).
- (c) “Affected Employee” is as defined in clause 27.
- (d) “Aggregate Shares” is as defined in clause 3.2.
- (e) “Award” means an Offer which has been accepted by an Eligible Person, and “Awards” shall be construed accordingly.
- (f) “Average Price” is as defined in section 5(h)(iii) of Schedule 1.
- (g) “Award Date” means the date of an Award.
- (h) “Board” means the Board of Directors of the Company.
- (i) “Bursa Depository” means Bursa Malaysia Depository Sdn. Bhd. (165570-W).
- (j) “Bursa Securities” means Bursa Malaysia Securities Berhad (635998-W).
- (k) “By-Laws” means these By-Laws governing the Scheme, as amended, modified and/or supplemented from time to time.
- (l) “Capital Distribution” is as defined in section 5(h)(i) of Schedule 1.
- (m) “CDS” means the Central Depository System governed under SICDA.
- (n) “CDS Account” means the account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities, and “CDS Accounts” shall be construed accordingly.
- (o) “Companies Act” means the Companies Act 2016, as amended from time to time.
- (p) “Company” means Public Packages Holdings Berhad (162413-K).
- (q) “Current Market Price” is as defined in section 5(h)(iv) of Schedule 1.
- (r) “Director” means a natural person who is a director for the time being of the Company, and “Directors” shall be construed accordingly.
- (s) “Effective Date” means the date the Scheme takes effect being the date of full compliance with all relevant requirements of the Listing Requirements more particularly set forth in clause 6.
- (t) “Eligible Person” means:
  - (i) In respect of the ESOS Plan:
    - (A) a selected Employee of a Group Member;
    - (B) an Executive Director of the Company; or
    - (C) a Non-Executive Director of the Company; and

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**


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- (ii) In respect of the ESGS:
  - (A) a selected Management Officer of a Group Member; or
  - (B) an Executive Director of the Company; and

“Eligible Persons” shall be construed accordingly.
- (u) “Employee” means any person in the employment of a Group Member including directors of subsidiaries of PPH and person employed by the Group on a contract basis.
- (v) “ESGS” means the employee share grant scheme pursuant to which Share Grants may be granted under these By-Laws.
- (w) “ESGS Offer” means an offer made in writing by the Scheme Committee to an Eligible Person pursuant to the ESGS and “ESGS Offers” shall be construed accordingly.
- (x) “ESOS Offer” means an offer made in writing by the Scheme Committee to an Eligible Person under the ESOS Plan, and “ESOS Offers” shall be construed accordingly.
- (y) “ESOS Option” means the right to subscribe for new Shares under the ESOS Plan, and “ESOS Options” shall be construed accordingly.
- (z) “ESOS Option Period” means the period commencing from the Vesting Date of the ESOS Option and expiring on the date as may be determined by the Scheme Committee, unless terminated in accordance with these By-Laws.
- (aa) “ESOS Plan” means the employee share option scheme (ESOS) pursuant to which ESOS Options may be granted under these By-Laws.
- (bb) “Excluded Entities” means, in relation to the Company for the purposes of the Scheme, any one of the following:
  - (i) Subsidiaries which are foreign corporations; and
  - (ii) Subsidiaries which are dormant.
- (cc) “Executive Director” means a natural person who holds directorship in the Company and performs an executive function, and “Executive Directors” shall be construed accordingly.
- (dd) “Exercise Price” means the price at which an Eligible Person is entitled to subscribe for the Shares pursuant to an ESOS Option under the ESOS Plan at a price to be determined according to the terms of these By-Laws.
- (ee) “Group” means, collectively, the Company and its Subsidiaries (excluding Excluded Entities).
- (ff) “Group Member” means any corporation comprised in the Group, and “Group Members” shall be construed accordingly.
- (gg) “Initial Term” is as defined in clause 6.1.
- (hh) “Listing Requirements” means the Main Market Listing Requirements of Bursa Securities, as amended from time to time.
- (ii) “Market Day” means any day between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities, and “Market Days” shall be construed accordingly.
- (jj) “Maximum Shares Available” is as defined in clause 3.1.

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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- (kk) “Non-Executive Director” means a Director of the Company who is not an Executive Director of the Company, and “Non-Executive Directors” shall be construed accordingly.
- (ll) “Offer” means either an ESOS Offer or an ESGS Offer, as the case may be, and “Offers” shall be construed accordingly.
- (mm) “Offer Date” means the date on which an Offer is made or deemed made by the Scheme Committee to an Eligible Person, which shall be the date the Offer is served in accordance with clause 33.
- (nn) “Offer Period” means the period of 30 days from the Offer Date, or such other period as may be determined by the Scheme Committee and specified in the Offer, during which an Offer may be accepted.
- (oo) “Offeror” is as defined in section 3A(a) of Schedule 1.
- (pp) “Performance Period” means the period during which the Performance Targets stipulated by the Scheme Committee and set forth in the Offer is required to be performed.
- (qq) “Performance Targets” means the performance targets recommended by the Scheme Committee and approved by the Board, and as set forth in an Offer, which are to be achieved by the Eligible Persons and/or the Group during the Performance Period.
- (rr) “Previous Company” is as defined in clause 27.
- (ss) “RM” means the ringgit, the lawful currency of Malaysia.
- (tt) “Schedule” means a schedule in these By-Laws, and “Schedule” shall be construed accordingly.
- (uu) “Scheme” means Public Packages Holdings Berhad Share Issuance Scheme comprising the ESOS Plan and the ESGS established under governed by these By-Laws.
- (vv) “Scheme Committee” means the committee comprising Directors and/or other officers or executives of the Company appointed by the Board pursuant to clause 19 to implement and administer the Scheme, in accordance with these By-Laws.
- (ww) “Scheme Participant” means an Eligible Person who has duly accepted an Offer in accordance with these By-Laws, and “Scheme Participants” shall be construed accordingly.
- (xx) “Scheme Period” means the period of the Scheme as set forth in clause 6.1.
- (yy) “Scheme Termination Date” is as defined in clause 17.1.
- (zz) “Management Officer” means an employee of a Group Member holding a managerial position or above, as determined by the Scheme Committee.
- (aaa) “Shares” means ordinary shares in the capital of the Company, and “Share” means any one of them.
- (bbb) “Share Grant” means an entitlement to receive new Shares at no cash consideration under the ESGS, and “Share Grants” shall be construed accordingly.
- (ccc) “Share Grant Price” means the price which is used to determine the number of Shares to be granted pursuant to an Award of Share Grant under the ESGS.
- (ddd) “SICDA” means the Securities Industry (Central Depositories) Act, 1991, as amended from time to time.

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

- (eee) “Subsidiaries” means Subsidiaries of the Company within the meaning provided in the Companies Act, and shall include such subsidiaries which are existing as of the Effective Date and those subsequently acquired or incorporated at any time, from time to time, during the Scheme Period, unless determined by the Board and/or Scheme Committee to fall outside the expression “Subsidiaries” pursuant to clause 25, and “Subsidiary” shall be construed accordingly.
- (fff) “Terms of Reference” means the terms of reference which the Board may establish to regulate and govern the Scheme Committee’s functions and/or responsibilities under these By-Laws, as amended from time to time.
- (ggg) “Total Effective Consideration” is as defined in section 5(h)(ii) of Schedule 1.
- (hhh) “Trust” is as defined in clause 19.6.
- (iii) “Trust Deed” is as defined in clause 19.7.
- (jjj) “Unvested Shares” means:
- (i) the Shares comprised in an Award under the ESGS; or
- (ii) the Shares pursuant to an exercise of an ESOS Option under the ESOS Plan;
- which have not vested in Scheme Participant, and “Unvested Share” shall be construed accordingly.
- (kkk) “Unvested Share Grants” means the Share Grants comprised in an Award which have not vested in a Scheme Participant, and “Unvested Share Grant” shall be construed accordingly.
- (lll) “Unvested Options” means the ESOS Options comprised in an Award which have not vested in a Scheme Participant, and “Unvested Option” shall be construed accordingly.
- (mmm) “Vesting Conditions” means the conditions determined by the Scheme Committee and stipulated in the Offer in respect of an Award, which must be fulfilled by a Scheme Participant for the vesting of ESOS Options, Share Grants or Shares.
- (nnn) “Vesting Date” means the date on which ESOS Options, Share Grants or Shares pursuant to an Award is vested in the Scheme Participant.
- (ooo) “Vesting Period” means the period for the vesting of ESOS Options, Share Grants or Shares.
- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.
- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws. Any reference to a clause is a reference to the relevant clause of these By-Laws. Any reference to a section is a reference to the relevant section in a Schedule. The Schedule forms part of these By-Laws.
- 1.4 Any reference to a statute, statutory provisions, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.5 Any liberty, power or discretion which may be exercised, or any decision or determination which may be made, hereunder by the Scheme Committee (including any selection) may be exercised in the Scheme Committee’s sole and absolute discretion, having regard only to the Terms of Reference (where applicable), and the Scheme Committee shall not be under any obligation to give any reason for the same, except as may be required by the relevant regulatory authorities.

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

1.7 In the event of any change in the name of the Company from its present name, all references to “Public Packages Holdings Berhad” in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company’s new name.

## **2. THE SCHEME**

2.1 The Scheme shall be called the “Public Packages Holdings Berhad Share Issuance Scheme”, and be established and governed by these By-Laws.

## **3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

3.1 Subject to clause 3.2, and subject to any adjustment as may be required to the relevant numbers of Shares pursuant to Schedule 1, the maximum number of Shares which may be made available under the Scheme shall not, when aggregated with the total number of new Shares allotted and issued and/or to be allotted and issued under any other scheme involving new issuance of Shares which may be implemented from time to time by the Company, exceed 15% of the then issued share capital (excluding treasury shares, if any) of the Company at any such point of time, from time to time, during the Scheme Period (“**Maximum Shares Available**”).

3.2 In the event that the Company purchase or cancels its own shares in accordance with the provisions of section 127 of the Companies Act or otherwise howsoever, or undertakes any other corporate proposal resulting in a reduction of its issued share capital, the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptances, and Awards that have not been vested and/or Awards that have been vested, prior to such purchase and/or reduction of the issued share capital of the Company shall remain valid in accordance with the provisions of the Scheme as if that reduction had not occurred):

- (a) if, after such purchase, cancellation or reduction, the aggregate number of Shares comprised in all the valid Offers which are pending acceptances, Awards that have not been vested and/or Awards that have been vested (“**Aggregate Shares**”) as of the date of purchase, cancellation or reduction of shares is greater than the Maximum Shares Available, no further Offers shall be made by the Scheme Committee until the Aggregate Shares falls below the Maximum Shares Available; or
- (b) if, after such purchase, cancellation or reduction, the Aggregate Shares is less than the Maximum Shares Available, the Scheme Committee may make further Offers provided that the aggregate number of Shares comprised in the Aggregate Shares and the future Offers is equivalent to the Maximum Shares Available after such purchase, cancellation or reduction.

## **4. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION**

4.1 Subject to Clause 3.1 and any adjustment which may be made under Schedule 1, the aggregate maximum number of Shares that may be allocated:

- (a) between the ESOS Plan and the ESGS; and
- (b) to any one category or designation of Eligible Person;

shall be determined by the Scheme Committee, on an annual basis, provided that the allocation to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with that Eligible Person, holds 20% or more of the issued share capital (excluding treasury shares, if any) of the Company, shall not exceed 10% of the Maximum Shares Available.

4.2 An Eligible Person or a Scheme Participant who is a member of the Scheme Committee shall abstain from any deliberation in connection with any Offer made or to be made to him or any Award held by him.



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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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- 4.3 Notwithstanding anything contained in these By-Laws, the Scheme Committee shall not in any way be obliged to make an offer to any Eligible Person.
- 4.4 Subject to clause 4.1 and any adjustment which may be made under Schedule 1, the Scheme Committee shall determine the actual number of Shares to be allocated to any Eligible Person after taking into consideration:
- (a) the Eligible Person's position, ranking, performance, contribution and potential contribution to the continued success of the Group;
  - (b) in respect of an Eligible Person who is a Director of the Company, that Eligible Person's contributions towards the growth of the Company, positions in the various Board committees of the Company and directorships in the Group Members; and
  - (c) such other criteria as the Scheme Committee may deem relevant.
- 4.5 The Company shall ensure that:
- (a) the allocation of Shares to Eligible Persons is verified at the end of each financial year of the Company by the Company's audit committee as being in compliance with clause 4.1; and
  - (b) a statement by the audit committee, verifying such allocation, is included in the Company's annual report.

**5. ELIGIBILITY**

- 5.1 Any Eligible Person who meets the following criteria as of the date of an Offer shall be eligible for consideration and selection as an Eligible Person by the Scheme Committee:
- (a) if he has attained the age of eighteen years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;
  - (b) if he, with the exception of a Non-Executive Director, entered into a full-time or fixed term contract with, and is on the payroll of any Group Member, and whose service has been confirmed;
  - (c) if he is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration (or any other contract as may be determined by the Scheme Committee);
  - (d) if he is a Director, chief executive, major shareholder of the Company or a person connected with them, the specific allocation of Shares granted by the Company under the Scheme to him in his capacity as a Director, chief executive, major shareholder of the Company or to a person connected with them has been approved by shareholders of the Company at a general meeting;
  - (e) if he fulfils any other criteria and/or falls within such category as may be determined by the Scheme Committee from time to time.

Subject to applicable law, the Scheme Committee may vary or revise any of the criteria set forth in this clause 5.1 at any time and from time to time.

- 5.2 Eligibility for consideration under the Scheme does not confer an Eligible Person with any right whatsoever under or to participate in the Scheme.
- 5.3 The selection of any Eligible Person for participation in the Scheme shall be made by the Scheme Committee. The decision of the Scheme Committee shall be final and binding.

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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**6. SCHEME PERIOD**

- 6.1 The Scheme shall take effect on the Effective Date and shall continue to be in force for a period of five (5) years thereafter (“**Initial Term**”), provided that (if new Shares are to be allotted and issued under the Scheme) the following conditions have been fulfilled:
- (a) grant of the approval of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme on the Main Market of Bursa Securities;
  - (b) grant of the approval of the Shareholders of the Company;
  - (c) the submission to Bursa Securities of a copy of the final By-Laws together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements; and
  - (d) the fulfilment of all conditions attached to the approvals referred to in clauses 6.1(a) and (b), if any.
- 6.2 The Scheme may be extended by the Board for a period of up to another five (5) years from the expiry of the Initial Term. Any extension shall not, in aggregate with the Initial Term, exceed 10 years from the Effective Date or such other period as may be allowed by the relevant authorities.
- 6.3 All unaccepted Offers shall forthwith cease to be capable of acceptance, and all Unvested Options, Unvested Share Grants or Unvested Shares shall forthwith cease to be capable of vesting, upon expiration of the Scheme.
- 6.4 Within five (5) Market Days after the Effective Day, the Company shall, through the Adviser, submit a confirmation to Bursa Securities of full compliance with the approvals and/or conditions set forth in clause 6.1, stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.

**7. OFFER UNDER THE SCHEME**

- 7.1 Pursuant to the Scheme, the Scheme Committee may, at any time and from time to time, during the Scheme Period, make one or more Offers to Eligible Persons to participate in the Scheme.
- 7.2 The Offer may be made upon such terms and conditions as the Scheme Committee deems appropriate and the terms and conditions of each Offer may differ.
- 7.3 Subject to any adjustment which may be made under Schedule 1, the Scheme Committee may at its absolute discretion determine the number of Shares to be comprised in an Offer made to an Eligible Person under the Scheme.
- 7.4 The allocation of Shares to be made available under the Scheme shall be determined by the Scheme Committee at such time as the Scheme Committee deems appropriate. Subject to any adjustment which may be made under Schedule 1, the aggregate number of offers that may be made to an Eligible Person shall be determined by the Scheme Committee provided that:
- (a) the Directors (including non-executive Directors) and Eligible Persons do not participate in the deliberation or discussion of their own allocation and the allocation to any person connected with them; and
  - (b) no allocation of more than ten per cent (10%) of the Shares under the Scheme shall be made to any Eligible Person who, either singly or collectively through persons connected with them, hold twenty per cent (20%) or more of the issued shares of the Company (excluding treasury shares, if any).

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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- 7.5 The Scheme Committee may at its discretion determine:
- (a) the type of Offer (whether it is an ESOS Offer or an ESGS Offer) to be made to an Eligible Person;
  - (b) the terms of the Offer to be made to an Eligible Person;
  - (c) the date on which an Offer is made to an Eligible Person;
  - (d) the Vesting Conditions;
  - (e) the number of Shares to be vested on the Vesting Date;
  - (f) the number of Shares comprised in an ESOS Option; and/or
  - (g) any other term or condition as the Scheme Committee may from time to time deem appropriate.

**8. ACCEPTANCE OF THIS OFFER**

- 8.1 The ESOS Offer must be accepted by the Eligible Person during the Offer Period in such form and manner as may be prescribed by the Scheme Committee and must be accompanied with a payment to the Company or the relevant Group Member of a sum of RM1.00 only as non-refundable consideration for the ESOS Offer.
- 8.2 The ESGS Offer must be accepted by the Eligible Person during the Offer Period in such form and manner as may be prescribed by the Scheme Committee and must be accompanied by the details of the Eligible Person's CDS Account number and a payment to the Company or the relevant Group Member of a sum of RM1.00 only as non-refundable consideration for the ESGS Offer.
- 8.3 The date of receipt by the Company or the relevant Group Member of such form and payment shall be the date of acceptance of the Offer by the Eligible Person.
- 8.4 Unless the Scheme Committee otherwise decides, in the event that the Eligible Person fails to accept the Offer in the manner prescribed within the Offer Period, such Offer shall automatically lapse and shall then be null and void and the Offer may, at the sole and absolute discretion of the Scheme Committee, be offered to other Eligible Persons in accordance with these By-Laws provided that the Scheme Committee shall not be precluded from making a fresh Offer to the Eligible Person subsequently.
- 8.5 Upon acceptance of the Offer in accordance with these By-Laws, the Eligible Persons shall be referred to as a Scheme Participant for the purposes of these By-Laws.

**9. EXERCISE PRICE AND THE EXERCISE OF ESOS OPTION**

- 9.1 Subject to any adjustment which may be made under Schedule 1, the Exercise Price shall be determined based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding the date of the ESOS Offer, subject to a discount of not more than 10% of the foregoing, or any such other percentage of discount as may be permitted by Bursa Securities.
- 9.2 An ESOS Option can be exercised by the Scheme Participant, by notice in writing to the Company by the Scheme Participant or its authorised agent (subject that such authorised agent must be recognised by the Company) or in any other manner as may be determined by the Scheme Committee from time to time, during the ESOS Option Period in respect of all or any part of the Shares comprised in the ESOS Option. The procedure for the exercise of ESOS Options to be complied with by an Scheme Participant shall be determined by the Scheme Committee from time to time. Any ESOS Option which remains unexercised at the expiry of the ESOS Option Period shall be automatically terminated and lapse without any claim against the Company.

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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- 9.3 Every such notice or any other manner to exercise an ESOS Option referred to in clause 9.2, shall be accompanied by a full remittance in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the Scheme Committee for the full subscription money (calculated in accordance with clause 9.1) in relation to the number of shares comprised in the ESOS Option. The Scheme Participant who exercises his ESOS Option shall provide the Company with his CDS Account number.
- 9.4 The minimum period during which an ESOS Option must be held before it can be exercised, if any, may be determined by the Scheme Committee at its absolute discretion.
- 9.5 Any failure to comply with the procedures specified by the Scheme Committee or to provide information required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the Scheme Committee. The Scheme Committee shall inform the Scheme Participant of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the Scheme Participant shall be deemed not to have exercised his/her ESOS Option.

**10. VESTING CONDITIONS**

- 10.1 Subject to clause 10.2, the Scheme Committee may at its discretion stipulate the number of Shares comprised in an Offer or an Award, Performance Targets, Performance Period, Vesting Conditions, Vesting Period, Vesting Date and/or other conditions.
- 10.2 The ESOS Options and/or the Shares pursuant to the exercise of the ESOS Options may be vested to the Scheme Participants in tranches over a period of up to five (5) years as may be determined by the Scheme Committee.
- 10.3 The Share Grants and/or Shares pursuant to the Share Grants may be vested to the Scheme Participants in tranches over a period of up to five (5) years as may be determined by the Scheme Committee or as extended under the provisions hereof.
- 10.4 Notwithstanding anything to the contrary in these By-Laws, an Offer or an Award, the Scheme Committee may, by giving notice in writing to Scheme Participants, vary the number of Shares comprised in an Offer or Award, and/or vary or waive any one or more of the Performance Targets, Performance Period, Vesting Conditions, Vesting Period, Vesting Date and/or other conditions as will be used to determine the number of Shares comprised in the ESOS Options or Share Grants awarded to such Scheme Participants on any Offer Date or Award Date (including (without limitation) increasing or reducing the number of Shares comprised in such Award).
- 10.5 The determination whether the Scheme Participant has achieved any of the stipulated Performance Targets, Vesting Conditions, and/or other conditions of the Eligible Person during the Performance Period shall be determined by the Scheme Committee at its sole and absolute discretion.

**11. VESTING AND SETTLEMENT**

- 11.1 The ESOS Options, Share Grants or Shares (as the case may be) or such part thereof as may be specified in the Offer will only vest in the Scheme Participants in accordance with the terms of the Award on the Vesting Date provided that the Scheme Participant must fulfil the criteria under clause 5.1 as of the Vesting Date.
- 11.2 The determination as to whether the Vesting Conditions have been fulfilled shall be made by the Scheme Committee. In the event that the Scheme Committee shall determine that the Vesting Conditions are not fully satisfied, the Scheme Committee may, at its discretion, adjust the number of Shares comprised in the ESOS Options or Share Grants which may vest in the Scheme Participants and/or to impose such other conditions as the Scheme Committee deems fit in respect of the vesting of the ESOS Options, Share Grants or Shares to such Scheme Participants.

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- 11.3 Where the Scheme Committee has made the determination that the Vesting Conditions have been fulfilled or has made a determination pursuant to clause 11.2 if the Vesting Conditions are not fully satisfied, the Scheme Committee shall notify the Scheme Participant of the number of shares (comprised in the ESOS Option, upon the exercise of the ESOS Option or comprised in the Share Grant) vested or which will be vested in him on the Vesting Date, as the case may be.
- 11.4 In respect of an Award under the ESOS Plan, no Scheme Participant shall have any right to or interest in the Shares unless and until the ESOS Options are exercised and the Shares are vested to him on and with effect from the date such Shares are credited into his CDS Accounts.
- 11.5 In respect of an award under the ESGS, no Scheme Participant shall have any right to or interest in the Shares unless and until the Shares are vested to him on and with effect from the date such Shares are credited into his CDS Accounts.
- 11.6 The vesting of the Shares under the ESOS Plan is to be settled by way of an allotment and issue of new Shares. The vesting of the Shares comprised in the ESGS shall be satisfied through:
- (i) the issuance of new Shares;
  - (ii) the acquisition and transfer of existing Shares;
  - (iii) any other methods as may be permitted by the Act; or
  - (iv) a 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, among others, factors such as the prevailing market price of the Shares, funding considerations, dilutive effects of any such issuance of the Company's share capital base, and cash requirements of the Group.
- 11.7 In relation to Shares to be vested on the Vesting Date (pursuant to an exercise of an ESOS Option under clause 9.3 or pursuant to a Share Grant), the Company shall, within eight (8) Market Days after the Vesting Date (or such other period as may be prescribed or allowed by Bursa Securities and/or the Listing Requirements):
- (a) procure the allotment and issue of the relevant number of Shares and despatch the notice of allotment to the Scheme Participant accordingly; and
  - (b) apply for the quotation of such Shares on Bursa Securities.
- 11.8 The Shares to be allotted and issued to the Scheme Participants pursuant to the vesting of the Shares under the Award will be credited directly into the CDS Account of the Scheme Participant and no physical share certificates will be delivered to the Scheme Participant or his authorised nominee (as the case may be).

## **12. TAKE-OVERS**

- 12.1 In the event of:
- (a) a take-over offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer (“**Acquirer**”) or any persons acting in concert with the Acquirer); or
  - (b) the Acquirer becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date;

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the Scheme Committee may to the extent permitted by law in its discretion permit the vesting of Unvested Options, Unvested Share Grants, Unvested Shares, or any part thereof, in the Scheme Participant or the Scheme Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
- (ii) other terms and conditions set forth in the Award have not been fulfilled or satisfied.

**13. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION AND MERGER**

13.1 In the event of the court approving a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other corporation, the Scheme Committee may permit the vesting of Unvested Options, Unvested Share Grants or Unvested Shares, or any part thereof, in the Scheme Participant or the Scheme Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set forth in the Award have not been fulfilled or satisfied.

13.2 In the event the Company decides to merge with any other corporation, the Scheme Committee may in its discretion, permit the termination of the Award or the vesting of Unvested Options, Unvested Share Grants, Unvested Shares, or any part thereof, in the Scheme Participant at any time prior to the Scheme Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set forth in the Award have not been fulfilled or satisfied.

**14. NON-TRANSFERABILITY**

14.1 The rights of a Scheme Participant to the vesting of ESOS Options, Share Grants or Shares shall be personal to him and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever unless otherwise expressly provided in these By-Laws.

**15. RETENTION PERIOD**

15.1 Subject to clause 15.2, the new Shares to be allocated to Scheme Participants pursuant to these By-Laws will not be subjected to any retention period, unless the Scheme Committee stipulates otherwise in the Offer.

15.2 A Scheme Participant who is a Non-Executive Director must not sell, transfer or assign the Shares obtained through the exercise of ESOS Options awarded to him, if any, within one (1) year from the date of the ESOS Offer.

15.3 The expression "retention period" referred to in clause 15.1 shall mean the period in which the Shares allotted and issued, or transferred, pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the Scheme Participant.

**16. TERMINATION OF OFFERS, UNVESTED SHARE OPTIONS, UNVESTED SHARE GRANTS AND UNVESTED SHARES**

16.1 Subject to clauses 16.2 and 16.3, any unaccepted Offer shall forthwith lapse and be null and void and/or any Unvested Option, Unvested Share Grants or Unvested Share in respect of a Scheme Participant shall forthwith cease to be capable of vesting in a Scheme Participant, as the case may be, without any liability to or right to claim against the Company, any Group Member, the Scheme Committee, and/or the Board upon the occurrence of any one or more of the following events:

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- (a) service of a notice to resign by the Eligible Person or Scheme Participant, as the case may be;
  - (b) service of a notice of termination or termination or cessation of employment of the Eligible Person or Scheme Participant with a Group Member by reason of misconduct, as the case may be; or
  - (c) bankruptcy of the Eligible Person or Scheme Participant, as the case may be.
- 16.2 In the event of the termination or cessation of employment of the Eligible Person or Scheme Participant with the Group in any of the following circumstances:
- (a) retirement on attaining the retirement age under the Group's retirement policy;
  - (b) retirement before attaining the normal retirement age;
  - (c) ill-health, injury, physical or mental disability or mental disorder;
  - (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance by the Eligible Person of a voluntary separation scheme offered by the Company or a relevant Group Member;
  - (e) non-renewal of a fixed-term contract;
  - (f) winding-up or liquidation of the Company or a relevant Group Member; or
  - (g) any other circumstance which is acceptable to the Scheme Committee in its sole and absolute discretion;
- any unacceptable Offer shall forthwith lapse and be null and void and/or any Unvested Option, Unvested Share Grant or Unvested Share in respect of that Scheme Participant shall forthwith cease to be capable of vesting in that Scheme Participant without any liability to or right to claim against the Company, any Group Member, the Scheme Committee, and/or the Board. Notwithstanding this, the Scheme Committee may in its absolute discretion permit the vesting of Unvested Options, Unvested Share Grants or Unvested Shares, or any part thereof, in the Scheme Participant subject to such terms and conditions as may be prescribed notwithstanding that:
- (i) the Vesting Date is not due or has not occurred; and/or
  - (ii) other terms and conditions set forth in the Offer have not been fulfilled or satisfied.
- 16.3 Where a Scheme Participant retires and is immediately re-employed by the Company or by any Group Member, upon his re-employment, the Scheme Committee may at its absolute discretion allow the Scheme Participant to be vested with the ESOS Options, Share Grants or Shares under such Offer made pursuant to clause 7 either in whole or in part within such period as the Scheme Committee may determine.
- 16.4 In the event of death of the Scheme Participant before the vesting of the ESOS Options, Share Grants or Shares, such Award shall automatically lapse and become null and void at the date of his death, unless otherwise decided by the Scheme Committee.
- 16.5 Any unaccepted Offer shall forthwith lapse and be null and void and/or Unvested Options, Unvested Share Grants or Unvested Shares shall forthwith cease to be capable of vesting, as the case may be, without any claim against the Company, any Group Member, the Scheme Committee, and/or the Board upon the occurrence of one or more of the following events:
- (a) winding-up or liquidation of the Company; or
  - (b) termination of the Scheme pursuant to these By-Laws.



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16.6 Any Unvested Option, Unvested Share Grant or Unvested Share that ceases to be capable of vesting in a Scheme Participant pursuant to this clause 16 will continue to be available under the Scheme.

**17.1 TERMINATION OF SCHEME**

17.1 Notwithstanding anything to the contrary in these By-Laws, but subject to any applicable law or stock exchange regulation, the Scheme may be terminated by the Company at any time prior to the expiry of the Scheme Period by written notice to affected Scheme Participants, provided that:

- (a) in the case of any unaccepted Offers, such Offers shall forthwith lapse and become null and void on the date specified in the notice;
- (b) in the case of any Unvested Option, Unvested Share Grant or Unvested Share, the written consents of all affected Scheme Participants are obtained prior to such termination, whereupon all Unvested Options, Unvested Share Grants or Unvested Shares shall cease to be capable of vesting in the affected Scheme Participants and be null and void on the date specified in the notice which shall be after the consents have been obtained (“**Scheme Termination Date**”), provided however that the Scheme Committee may in its absolute discretion permit the vesting of the Unvested Options, Unvested Share Grants or Unvested Shares either in whole or in part thereof in the Scheme Participant at any time prior to the Scheme Termination Date subject to such terms and conditions as may be prescribed by the Scheme Committee notwithstanding that:
  - (i) the Vesting Date is not due or has not occurred; and/or
  - (ii) any other term or conditions of the Offer have not been fulfilled or satisfied.
- (c) the Company must immediately announce to Bursa Securities:
  - (i) the Scheme Termination Date;
  - (ii) the number of Shares vested pursuant to the Share Grants and the exercise of the ESOS Options; and
  - (iii) the reasons and justifications for the termination.

17.2 Upon termination of the Scheme, no further Offers shall be made by the Company.

**18. RIGHTS ATTACHED TO SHARES**

18.1 Subject to clause 18.2, new Shares to be allotted and issued pursuant to the vesting of the Shares under the Scheme, shall, upon the allotment and issue:

- (a) be subject to the relevant provisions in the Constitution of the Company, including (without limitation), the provision in relation to their transfer, transmission or otherwise; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are credited into the CDS Accounts of the Scheme Participants; and
- (c) rank pari passu in all other respects with the other then existing Shares of the Company.

18.2 The Scheme Participant shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution:

- (a) attached to the Shares prior to the date on which the Shares are credited into the Scheme Participants’ respective CDS Accounts; and/or



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- (b) which may be declared, made or paid to the Company's shareholders, for which the book closure date is prior to the date on which the Shares are credited into the CDS Account of that Scheme Participant.

For the purposes of this clause 18, "book closure date" shall mean the date as of the close of business on which a shareholder of the Company must be registered as a member and whose name must appear in the record of depositors maintained at Bursa Depository in order to be entitled to any dividend, right, allotment, entitlement and/or any other distribution.

**19. ADMINISTRATION**

- 19.1 The Scheme shall be administered by the Scheme Committee consisting of such persons appointed by the Board from time to time.
- 19.2 If the Scheme Committee comprises any Eligible Person or Scheme Participant, the Scheme Committee must ensure that the Eligible Person or Scheme Participant does not participate in the deliberation or discussion in connection with their own allocation.
- 19.3 Subject to these By-Laws and the Terms of Reference, the Scheme Committee shall administer the Scheme in such manner as it shall in its discretion deem fit.
- 19.4 For the purpose of administering the Scheme, the Scheme Committee may do all such acts and things; enter into any transaction, agreement, deed, instrument, document or arrangement; make rules and regulations; and/or impose terms and conditions; relating to the administration of the Scheme, as the Scheme Committee may in its discretion deem fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 19.5 The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the Scheme Committee and appoint replacement members to the Scheme Committee;
  - (b) make, issue and/or amend the Terms of Reference at any time and from time to time; and
  - (c) assume and/or exercise or execute any of the powers and authorities conferred upon the Scheme Committee pursuant to these By-Laws.
- 19.6 For the purposes of facilitating the implementation and administration of the Scheme, the Company may (but shall not be obliged to) establish a trust to be administered by a trustee to be appointed by the Company for the Scheme from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to the Scheme Participants at such times as the Scheme Committee shall direct ("**Trust**"). For this purpose, the Trustee may, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Group and/or any third party to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for any such payment. The Scheme Committee shall have the discretion to revoke or suspend any such direction that has earlier been given to the Trustee.
- 19.7 The Trustee, if and when the Trust is established, shall administer the Trust in accordance with the terms of a trust deed to be entered into between the Company and the Trustee constituting the Trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the Scheme Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 19.8 The Company shall have power from time to time, at any time, to appoint or rescind or terminate the appointment of the Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

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**20. DISCIPLINARY PROCEEDINGS**

- 20.1 In the event a Eligible Person is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or demotion to a lower category of employment) after an Offer is made but before the acceptance thereof by such Eligible Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the Scheme Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Eligible Person.
- 20.2 Nothing herein shall prevent the Scheme Committee (but the Scheme Committee shall not be obliged to do so) from making a fresh Offer to such Eligible Person in the event that such disciplinary actions are not found against him, or if such disciplinary actions are withdrawn, provided that such Offer is made within the duration of the Scheme Period.
- 20.3 In the event a Scheme Participant is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or demotion to a lower category of employment) after the acceptance of an Offer, the right in respect of the Award shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the Scheme Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Scheme Participant, provided that:
- (a) in the event the Scheme Participant is found guilty resulting in the dismissal or termination of service, the Award shall immediately lapse notwithstanding that such dismissal or termination of service may be subsequently challenged by the Scheme Participant in any other forum;
  - (b) in the event the Scheme Participant is found guilty resulting in a demotion to a lower category of employment, the number of Shares comprised in the Award held by that Scheme Participant which are unvested at that time may be reduced by the Scheme Committee in its sole and absolute discretion or be dealt with in such manner as the Scheme Committee, in its absolute discretion, deems appropriate; and
  - (c) in the event the Scheme Participant is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the Scheme Committee shall have the sole right to determine, at its absolute discretion, whether or not the Shares comprised in the Award may continue to vest and, if so, to impose such terms and conditions as it deems appropriate in respect of such vesting.
- 20.4 Nothing herein shall prevent the Scheme Committee (but the Scheme Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right in respect of the Award in the event that such disciplinary actions are not decided against him or if such disciplinary actions against the Scheme Participant are withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the Scheme Committee does not reinstate such right in respect of the Award prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void and any unvested Share shall forthwith cease to be capable of vesting in the Scheme Participant, as the case may be, unless the Scheme Committee determines otherwise.

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**21. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME**

21.1 Subject to clause 21.2 and compliance with the Listing Requirements, and the approval of any regulatory authority (if required), the Scheme Committee may at any time and from time to time recommend to the Board any addition, amendment and/or modification to and/or deletions of these By-laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation provided that no such amendment and/or modification shall be made which would adversely affect the rights attaching to any Award except with the approval of a majority in number of the then Scheme Participants present and voting at a meeting of Scheme Participants convened for such purpose, whether by a show of hands by those present and voting and/or by poll. The quorum for such meetings of Scheme Participants shall be two (2) Scheme Participants. At least fourteen days' notice of such meeting must have been given to the Scheme Participants for the convening of any such meeting.

21.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except:

- (a) if the approval of the shareholders of the Company has been obtained for the purposes of the allotment and issue of new shares in the Company for the purposes of the Scheme; and
- (b) if such addition, amendment modifications and/or deletion would:
  - (i) increase the number of Shares beyond the Maximum Shares Available; or
  - (ii) provide an advantage to any Scheme Participant or group of Scheme Participants or all the Scheme Participants.

21.3 Where any addition, amendment, modifications and/or deletion is made to these By-Laws, the Company shall submit to Bursa Securities:

- (a) such amendment and/or modifications to these By-Laws; and
- (b) a confirmation letter that such amendment and/or modification to these By-Laws comply with the applicable provisions under the Listing Requirements;

no later than 5 Market Days from the effective date of the said amendment and/or modification or such other period as may be allowed by Bursa Securities.

**22. DISPUTES**

22.1 In the event of any dispute between the Scheme Committee with an Eligible Person or Scheme Participant, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.

**23. SCHEME NOT A TERM OF EMPLOYMENT**

23.1 The Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment of any Eligible Person or Scheme Participant. The Scheme shall not confer or be construed to confer on any Eligible Person or Scheme Participant any special right or privilege over his terms and conditions of employment nor any right in addition to compensation or damages that he may be normally entitled to arising from the cessation of his employment.

**24. COMPENSATION**

24.1 No Eligible Person or Scheme Participant who ceases to hold office in or employment with any Group Member shall be entitled to any compensation for the loss any right or benefit or prospective right or benefit under the Scheme.

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24.2 The Company, the Board and/or the Scheme Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person or Scheme Participant or legal or personal representatives whatsoever and howsoever arising from the suspension or termination of any right to the vesting of Shares pursuant to the Award, or of such right ceasing to be valid pursuant to the provisions of these By-Laws.

**25. GROUP MEMBERS**

25.1 The Board and/or Scheme Committee may determine, in its absolute discretion, that a subsidiary of the Company (including those subsequently incorporated or acquired during the Scheme Period) shall not fall within the expression “Subsidiaries” or “Group Members”.

**26. DIVESTMENT FROM GROUP**

26.1 If a Scheme Participant who held office or was in the employment with a corporation of the Group which has ceased to be a Group Member as a result of a restricting or divestment exercise or otherwise (other than a takeover or reconstruction as a result of a restructuring or divestment exercise or otherwise provided under these By-Laws), the Scheme Committee may in its discretion permit the vesting of Unvested Options, Unvested Share Grants or Unvested Shares, or any part thereof, in the Scheme Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Vesting Period has not commenced; and/or
- (c) any other terms or conditions in the Award have not been fulfilled or satisfied.

26.2 WINDING UP

All outstanding Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise and/or vest the Awards shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the Awards shall accordingly be unsuspended.

**27. ACQUISITIONS OF SUBSIDIARIES**

27.1 Notwithstanding anything to the contrary, an employee who is in employment of a corporation which is not Group Member (“**Previous Company**”) but subsequently becomes a Group Member as a result of an acquisition or other exercise involving the Company and/or any Subsidiary or transferred to a corporation which is a Group Member subsequent to the acquisition, in the case of an employee of a Previous Company, such an employee (“**Affected Employee**”):

- (a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company’s employee share scheme or employee share option scheme in accordance with the by-laws of that Previous Company’s employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Member, be eligible to participate for further rights or options under such Previous Company’s employee share scheme or employee share option scheme unless permitted by the Scheme Committee; and
- (b) may be eligible to participate in the Scheme only for the remaining duration of the Scheme (subject to the approval of the Scheme Committee);

provided that, notwithstanding anything to the contrary, any ESOS Option, Share Grant or Share that may be offered to such an Affected Employee under these By-Laws shall always be subject to the discretion of the Scheme Committee.

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**28. TRANSFER TO OTHER SUBSIDIARY THAT IS NOT A GROUP MEMBER**

- 28.1 Notwithstanding anything to the contrary, in the event a Scheme Participant who was employed in a Group Member is subsequently transferred from such corporation to another person which is not a Group Member, the Scheme Committee shall have the discretion to decide that the Scheme Participant shall continue to be entitled to have a right in any Unvested Option, Unvested Share Grant or Unvested Share upon the same terms and conditions as may be set forth in the Award as if the Scheme Participant is still in employment with the Group Member.

**29. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS**

- 29.1 All Scheme Participants shall be entitled to inspect a copy of the latest audited financial statements of the Company at the registered office of the Company from Mondays to Fridays (excluding public holidays) during normal office hours.

**30. COSTS, EXPENSES AND TAXES**

- 30.1 All fees, costs, and expenses (including but not limited to administrative and handling charges) incurred in relation to the issue and allotment of the Shares pursuant to an Award upon the vesting of the Shares, shall be borne by the Company. All brokerage fees, commissions and such other incidental costs and stamp duties arising from the sale of Shares by Scheme Participants shall be borne by the Scheme Participants.
- 30.2 Each Scheme Participant shall be solely responsible for any and all taxes (including income tax) which may be levied on him arising out of or as a result of such issuance and allotment of Shares to him under these By-Laws.

**31. CONSTITUTION**

- 31.1 Notwithstanding the terms and conditions contained in the Scheme, if a situation of conflict should arise between the Scheme and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times.

**32. ERRORS AND OMISSIONS**

- 32.1 If in consequence of an error or omission, the Scheme Committee discovers or determines that:
- (a) an Eligible Person who was selected by the Scheme Committee as an Eligible Person has not been given the opportunity to participate in the Scheme on any occasion;
  - (b) the number of Shares comprised in an ESOS Option on any occasion is found to be incorrect; or
  - (c) the number of Shares allotted and issued to any Scheme Participant (including those allotted and issued pursuant to the vesting of the Shares pursuant to the Award) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the Scheme Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme, the number of Shares comprised in an ESOS Option is corrected and/or the aggregate number of Shares to which the Scheme Participant is correctly entitled is to be credited into his CDS Account (whichever is applicable as determined by the Scheme Committee).

- 32.2 In the event of any error or omission in an Offer or Award, the Scheme Committee may issue a supplemental Offer stating the correct particulars of the Offer or Award.

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**33. NOTICE**

- 33.1 Any notice under the Scheme required to be given to or served upon the Scheme Committee by an Eligible Person or a Scheme Participant or any correspondence to be made between an Eligible Person or Scheme Participant to the Scheme Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the Scheme Committee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter.
- 33.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person or Scheme Participant or any correspondence to be made with an Eligible Person or Scheme Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile transmission, registered post, courier, human resource electronic management system or e-mail addressed to the Eligible Person or Scheme Participant at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address. Any notice served by hand, facsimile, or courier as aforesaid shall be deemed to have been received at the time when such notice (if by hand or courier) is received and duly acknowledged, and if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages. Any notice served by registered post shall be deemed to have been received the third day after postage. Any notice served by any electronic management system or e-mail shall be deemed to have been received upon the said communication being sent.
- 33.3 Notwithstanding clause 33.2, where any notice is required to be given by the Company or the Scheme Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or Scheme Participants, as the case may be, the Company or Scheme Committee may give notice through an announcement to all employees of Group Members to be made in such manner deemed appropriate by the Scheme Committee. Upon the making of such an announcement, the notice to be made under clause 33.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Scheme Participants, as the case may be.

**34. SEVERABILITY**

- 34.1 If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

**35. DISCLAIMER OF LIABILITY**

- 35.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the Scheme Committee and the Company shall not under any circumstance be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Scheme Participant in connection with any delay in allotting and issuing the Shares, applying for a or procuring the listing of the new Shares on Bursa Securities, and/or for any reason whatsoever.

**36. DECISION OF THE SCHEME COMMITTEE**

- 36.1 Any decision and/or determination made by the Scheme Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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**37. MULTIPLE JURISDICTIONS**

- 37.1 In order to facilitate the making of any Offer under this Scheme, the Board may provide for such special terms to apply to such Offers to Eligible Persons who are employed by a Group Member in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Board may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of, the Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Scheme as they are in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Scheme. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

**38. GOVERNING LAW**

- 38.1 The Scheme, these By-Laws, all Offers, all Awards made and granted, and all decisions and actions taken under the Scheme shall be governed by and construed in accordance with Malaysian law. The Scheme Participant, by accepting the Offer in accordance with these By-Laws, the terms of the Scheme and the articles of association of the Company, irrevocably submits to the exclusive jurisdiction of the Malaysian courts.

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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

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**SCHEDULE 1**

1. If the Scheme Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, reduction or any other alteration in the capital structure of the Company, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, such corresponding alterations (if any) may be made to the Scheme.
2. Alterations, as set forth in section 1 of Schedule 1, may be made in:
  - (a) the Exercise Price;
  - (b) the number of Shares comprised in an ESOS Option that has not been exercised pursuant to an Award;
  - (c) the number of Unvested Shares comprised in an Award; and/or
  - (d) the method and/or manner in the vesting of the ESOS Options, Share Grants or Shares comprised in an Award.
3. The alterations set forth in section 2 of Schedule 1 shall be in such a manner as to give the Eligible Person a fair and reasonable Award entitlement, as certified in writing (other than for adjustments made pursuant to a bonus issue) by the external auditor or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:
  - (a) upon any adjustment being made pursuant to section 2 of Schedule 1, the Scheme Committee shall notify the Eligible Person (or his personal representatives, where applicable) in writing of:
    - (i) the adjusted number of Shares comprised in an ESOS Option pursuant to the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the ESOS Option pursuant to the Award, such ESOS Option of which may be exercised in an ESOS Option Period which supersedes the earlier Award; or
    - (ii) the adjusted number of Shares comprised in the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Award, that may vest at any time or in any period which supersedes the earlier Award.
  - (b) in the event that a fraction of a Share arising from the adjustments referred to section 2 of Schedule 1 would be required to be issued upon the vesting of Shares comprised in an Award, the Eligible Person's entitlement shall be rounded to the nearest whole number.

Unless otherwise determined by the Scheme Committee, the adjustments pursuant to section 2 of Schedule 1 shall be effective on the day immediately following the book closure date for the event giving rise to that adjustment.
4. Notwithstanding anything to the contrary, the provisions of this Schedule 1 shall not apply where the alteration in the capital structure of the Company arises from:
  - (a) any issuance of Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business by the Group;
  - (b) any special issuance of Shares or other securities to Bumiputra investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputra capital participation;



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**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**


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- (c) any private placement or restricted issuance of Shares or other securities by the Company;
  - (d) any implementation of a share buy-back arrangement by the Company under the Companies Act;
  - (e) any issuance of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into shares in the Company or other securities, and any issuance of Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or
  - (f) any issuance or allotment of Shares upon the vesting of Shares comprised in an Award.
5. In consultation with the external auditor or Adviser of the Company, any adjustment pursuant to this Schedule 1 shall be calculated as follows:

(a) Consolidation, subdivision, conversion or reduction

If and whenever Shares shall be consolidated, subdivided, converted or reduced:

- (a) in respect of the ESOS Plan:
  - (i) the Exercise Price; and/or
  - (ii) the additional number of ESOS Options to be issued;
- (b) in respect of the ESGS:
  - (i) the number of Shares which are the subject of the Award to the extent not yet vested; and/or
  - (ii) the maximum number of existing Shares which may be delivered in settlement pursuant to the Awards,

shall be adjusted, calculated or determined, after consultation with the external auditors or Principal Adviser (acting as expert and not arbitrator) in such a manner as to give the Scheme Participant a fair and reasonable entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall make any issue of Shares to its ordinary shareholders of the Company credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund):

- (i) the Exercise Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

- (ii) and the additional number of Shares comprised in the respective Award shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \frac{A+B}{A} - T$$

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

where:

- (1) “A” means the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue.
- (2) “B” means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).
- (3) “T” means the existing number of Shares comprised in an Award.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for such issue.

(c) If and whenever the Company shall make:

(i) Capital Distribution

a Capital Distribution (as defined in section 5(h)(i) of this Schedule 1) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

(ii) Rights issue of shares

any offer or invitation to ordinary shareholders pursuant to which they may acquire or subscribe new Shares by way of rights; or

(iii) Rights issue of convertible securities

any offer or invitation to ordinary shareholders by way of rights pursuant to which they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto;

then and in respect of each such case:

(A) the Exercise Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

(B) and in respect of the circumstance referred to in section 5(c)(ii) of this Schedule 1, the number of additional Shares to be comprised in an Award shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \frac{C}{C-D*} - T$$

where:

- (1) “C” means the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

- (2) “D” means:
- (aa) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under section 5(c)(ii) of this Schedule 1 or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under section 5(c)(iii) of this Schedule 1, the value of rights attributable to a Share; or
- (bb) in the case of any other transaction falling under section 5(c) of this Schedule 1, the fair market value, as determined by an external auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to a Share.

For the purpose of the definition of “D” under the foregoing paragraph (aa), the value of the rights attributable to a Share shall be calculated as follows:

$$\frac{C - E}{F + 1}$$

where:

- (AA) “C” means the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;
- (BB) “E” means the subscription price for one additional Share under the terms of such offer or invitation or subscription price for one additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for a Share under the offer of invitation;
- (CC) “F” means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share or security convertible into rights to acquire or subscribe for one additional Share; and
- (3) “D\*” means the value of rights attributable to a Share. For the purpose of this definition of “D\*”, the value of rights attributable to a Share shall be calculated as follows:

$$\frac{C - E *}{F * + 1}$$

where:

- (AA) “C” means the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

(BB) “E\*” means the subscription price for one additional share under the terms of such offer or invitation to acquire or subscribe for Shares.

(CC) “F\*” means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share.

(4) “T” means the existing number of Shares comprised in an Award.

For the purpose of section 5(c) of this Schedule 1, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under section 5(b) of this Schedule 1) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statement of comprehensive income of the Company for any period as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

(d) Capitalisation of profits or reserves and rights issue of Shares or convertible securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and:

(i) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) or (iii) of this Schedule 1 and the record date for the purpose of the allotment is also book closure date for the purpose of the offer or invitation, the Exercise Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

(ii) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) of this Schedule 1 and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Shares to be comprised in an Award shall be calculated as follows:

(A) Additional number of Shares to be comprised in an Award of Option =  $T \times \frac{(G+H* + B) \times C}{(G \times C) + (H* \times I*)} - T$

(B) Additional number of Shares to be comprised in an Award of Share Grant =  $T \times \frac{(G + H* + B) \times C}{(G \times C) + (H* \times I*)} - T$

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

where:

- (1) “B” means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).
- (2) “C” means the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (3) “G” means the aggregate number of issued Shares on the book closure date.
- (4) “H” means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be.
- (5) “H\*” means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
- (6) “I” means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share as the case may be.
- (7) “I\*” means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
- (8) “J” means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
- (9) “K” means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
- (10) “T” means the existing number of Shares comprised in an Award.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for such issue.

(e) Rights Issue of Shares and convertible securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1 together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1:

- (i) the Exercise Price and/or Share Grant Price shall be by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

(ii) and the additional number of Shares comprised in an Award shall be calculated as follows:

(A) Additional number of Shares to be comprised in an Award of Share Option

$$= T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

(B) Additional number of Shares to be comprised in an Award of Share Grant

$$= T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$$

where:

- (1) “C” means the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (2) “G” means the aggregate number of issued Shares on the book closure date.
- (3) “H” means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be.
- (4) “H\*” means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
- (5) “I” means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share as the case may be.
- (6) “I\*” means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
- (7) “J” means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
- (8) “K” means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
- (9) “T” means the existing number of Shares comprised in an Award.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for the foregoing transactions.

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**(f) Capitalisation of profits or reserves and rights issue of Shares and convertible securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation:

- (i) the Exercise Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

- (ii) and the additional number of Shares comprised in an Award shall be calculated as follows:

$$(A) \quad \text{Additional number of Shares to be comprised in an Award of Option} = T \times \frac{(G+H*+B) \times C}{(G \times C) + (H* \times I*)} - T$$

$$(B) \quad \text{Additional number of Shares to be comprised in an Award of Share Grant} = T \times \frac{(G+H*+J+B) \times C}{(G \times C) + (H* \times I*) + (J \times K)} - T$$

where:

- (1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).
- (2) "C" means the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (3) "G" means the aggregate number of issued Shares on the book closure date.
- (4) "H" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be.
- (5) "H\*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
- (6) "I" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share as the case may be.

**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

- (7) “I\*” means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
- (8) “J” means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
- (9) “K” means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
- (10) “T” means the existing number of Shares comprised in an Award.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for the foregoing transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under section 5(c)(ii), (c)(iii), (d), (e) or (f) of this Schedule 1), the Company shall issue either any Share or any securities convertible into Shares or any right to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share is less than 90% of the Average Price for a Share or, as the case may be, the price at which the Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

where:

- (1) “L” means the number of Shares in issue as the close of business on Market Day immediately preceding the date on which the relevant adjustment becomes effective.
- (2) “M” means the number of Shares which the Total Effective Consideration would have been purchased at the Average Price (exclusive of expense).
- (3) “N” means the aggregate number of Share so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (falling any such announcement) on the Market Day next following the date on which the Company determines the offering price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the foregoing transaction.



**DRAFT BY-LAWS FOR THE PROPOSED SCHEME**

- (h) In this section 5 of Schedule 1, the following definitions apply:
- (i) For the purpose of section 5(c) of this Schedule 1, “Capital Distribution” shall (without prejudice to the generality of that expression) include distribution in cash or specie or by way of issue of Shares (not falling under section 5(b) of this Schedule 1) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts pertaining to any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution in the event the net dividend amount per share declared or provided for at any given time is more than 10% of the five (5) day weighted average market price of the Shares immediately prior to the announcement of the dividend.
- (ii) For the purpose of section 5(g) of this Schedule 1, “Total Effective Consideration” shall be determined by the Board with the concurrence of an external auditor and/or Adviser of the Company and shall be:
- (1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;
  - (2) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
  - (3) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;
- in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and “Total Effective Consideration per Share” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.
- (iii) For the purpose of section 5(g) of this Schedule 1, the “Average Price” of a Share shall be the average price of a Share as derived from the last dealt prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.
- (iv) For the purpose of section 5(c), (d), (e) and (f), the “Current Market Price” in relation to a Share for any relevant day shall be the weighted average market price for the five (5) consecutive Market Days before such date.
6. If an event occurs that is not set out in section 5 of this Schedule 1 or if the application of any of the formula to an event results in a manifest error or does not, in the opinion of the Scheme Committee, achieve the desired result of preventing the dilution or enlargement of the Scheme Participants’ rights, the Scheme Committee may agree to any other adjustment formula, provided that the Scheme Participants shall be notified of the adjustment through an announcement to all the Scheme Participants to be made in such manner deemed appropriate by the Scheme Committee.
7. The provisions of Schedule 1 shall also, where applicable, apply to a situation where the Offer has been made but has not been accepted by the Eligible Person or withdrawn by the Scheme Committee.

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**FURTHER INFORMATION**


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**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 given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

**2. CONSENT AND DECLARATION ON CONFLICT OF INTERESTS**

Mercury Securities, being the Principal Adviser for the Proposals, 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 it appears in this Circular.

Mercury Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Principal Adviser to PPH for the Proposals.

**3. MATERIAL CONTRACTS**

Neither PPH nor its subsidiaries have entered into any other material contract (not being contracts entered into in the ordinary course of business of PPH Group) during the two (2) years immediately preceding the date of this Circular

**4. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION**

As at the LPD, neither PPH nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of PPH Group, and the Board is not aware of any proceedings pending or threatened against PPH or any of its subsidiaries or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

**5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****5.1 Material commitments**

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

	<b>RM'000</b>
Approved and contracted for	41,738

**5.2 Contingent liabilities**

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by PPH Group, which upon becoming enforceable may have a material impact on the financial position of the Group.

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**FURTHER INFORMATION**

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**6. DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (i) the Constitution of PPH;
- (ii) the audited consolidated financial statements of PPH Group for the past two (2) FYE 31 December 2015 and 31 December 2016;
- (iii) the latest unaudited quarterly report of PPH Group for the FPE 31 March 2017;
- (iv) the letter of consent and declaration on conflict of interests referred to in Section 2 above; and
- (v) draft By-Laws pursuant to the Proposed Scheme.

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**PUBLIC PACKAGES HOLDINGS BERHAD**

(Company No: 162413-K)

(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“EGM”) of Public Packages Holdings Berhad (“PPH” or the “Company”) will be held at 3<sup>rd</sup> Floor, Meeting Room of Plot 468 & 482, Jalan Perusahaan Baru, Prai Industrial Estate, 13600 Prai, Penang on Tuesday, 29 August 2017 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

**ORDINARY RESOLUTION 1**

**PROPOSED BONUS ISSUE OF UP TO 78,497,499 NEW ORDINARY SHARES IN THE COMPANY (“PPH SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF FIVE (5) BONUS SHARES FOR EVERY SEVEN (7) EXISTING PPH SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)**

“**THAT**, subject to the approval of all relevant authorities or parties, including but not limited to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for up to 78,497,499 Bonus Shares on the Main Market of Bursa Securities, the Board of Directors of PPH (“**Board**”) be and is hereby authorised to issue 78,497,499 Bonus Shares to be credited as fully paid-up to all shareholders of the Company whose name appear in the Record of Depositors of the Company as at the close of business on a date to be determined and announced later by the Board, on which the entitled shareholders are entitled to the Proposed Bonus Issue (“**Entitlement Date**”), on the basis of five (5) Bonus Shares for every seven (7) existing PPH Shares held in the Company on the Entitlement Date;

**THAT**, the Board be and is hereby authorised to capitalise the sum of up to RM39,248,749 from the retained profits and share premium accounts of the Company for the purpose of the Proposed Bonus Issue;

**THAT**, the Board be and is hereby authorised to deal with any fractional entitlements that may arise from the Proposed Bonus Issue, if any, in such manner as the Board shall at its absolute discretion deems fit and expedient and to be in the best interests of the Company;

**THAT**, the Bonus Shares shall upon allotment and issue, rank *pari passu* in all respects with the existing PPH Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the allotment of the Bonus Shares were made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit, necessary and/or expedient in order to implement, finalise and give full effect to the Proposed Bonus Issue.”

## ORDINARY RESOLUTION 2

### **PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF A SHARE ISSUANCE SCHEME (“SCHEME”) OF UP TO FIFTEEN PERCENT (15%) OF TOTAL ISSUED SHARE CAPITAL OF THE COMPANY (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”)**

"**THAT**, subject to the approval of all the relevant authorities, including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company (“**PPH Shares**”) to be issued hereunder, the Board be and is hereby authorised to:

- (i) establish, implement and administer the Proposed Scheme of up to fifteen percent (15%) of the issued share capital of the Company for the benefit of eligible employees of PPH and its subsidiaries (excluding subsidiaries which are dormant) (“**PPH Group**”) and the Directors of PPH (collectively, “**Eligible Person(s)**”) who fulfil the conditions of eligibility for participation in the Proposed Scheme in accordance with the provisions of the by-laws of the Proposed Scheme (“**By-Laws**”) and to give effect to the Proposed Scheme with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities;
- (ii) allot and issue from time to time such number of new PPH Shares as may be required to be issued pursuant to the exercise of the options under the Proposed ESOS (“**PPH-ESOS Shares**”) provided that the aggregate number of new PPH-ESOS Shares to be allotted and issued pursuant to this resolution shall not exceed in aggregate of fifteen percent (15%) of the issued share capital of the Company (excluding treasury shares, if any) at any point of time during the existence of the Proposed Scheme and such PPH-ESOS Shares issued shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing issued and fully paid-up PPH Shares except that the PPH-ESOS Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the PPH-ESOS Shares pursuant to the Proposed Scheme;
- (iii) award and/or offer such number of new PPH Shares under the Proposed ESGS (“**PPH-ESGS Shares**”) via any one or any combination of the following methods:
  - (a) the issuance of new PPH-ESGS Shares;
  - (b) the acquisition of existing PPH Shares; or
  - (c) any other methods as may be permitted by the Companies Act 2016;

and for the purposes of the Proposed ESGS, to allot and issue from time to time such number of new PPH-ESGS Shares from time to time as may be required to be issued pursuant to the award and vesting of the ESGS offers under the Proposed ESGS provided that the aggregate number of new PPH-ESGS Shares to be allotted and issued and/or acquired from the market (as the case may be) shall not exceed in aggregate of fifteen percent (15%) of the issued share capital of the Company (excluding treasury shares, if any) at any point of time during the existence of the Proposed Scheme and such PPH-ESGS Shares issued shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing issued and fully paid-up PPH Shares except that the PPH-ESGS Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the PPH-ESGS Shares pursuant to the Proposed Scheme;

- (iv) establish a trust and appoint a trustee (“**Trustee**”) to administer the said trust to facilitate the implementation and administration of the Proposed Scheme, if required to be established and appointed, and to authorise the Trustee to, among others, acquire, subscribe for, transfer and/or dispose of PPH Shares for the purpose of the implementation and administration of the Proposed ESGS;

- (v) provide, from time to time, money or other assistance (financial or otherwise) and/or authorise and/or procure any one or more of the subsidiaries of the Company to provide, from time to time, money or other assistance (financial or otherwise) to the Trustee, if required, to enable the Trustee to acquire and/or subscribe for PPH Shares for the purpose of the Proposed ESGS;
- (vi) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings (including but not limited to the trust deed with the Trustee, if required) and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed Scheme and terms of the By-Laws,
- (vii) modify and/or amend the Proposed Scheme, the By-Laws and/or the trust deed (if required) from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed Scheme;

**THAT**, any one (1) executive director and/or the secretary of the Company be and is hereby authorised to do all things necessary and to make the necessary applications to Bursa Securities for the listing of and quotation for any PPH-ESOS Shares and/or PPH-ESGS Shares (collectively, “**new PPH Shares**”) that may hereafter from time to time be issued and allotted pursuant to the Proposed Scheme;

**THAT** the Board be and is hereby authorised to give effect to the Proposed Scheme 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 they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Scheme;

**AND THAT** the By-Laws for the Proposed Scheme, as set out in Appendix I of the Circular which is in compliance with the Main Market Listing Requirements of Bursa Securities, be and is hereby approved and adopted.”

### **ORDINARY RESOLUTION 3**

#### **PROPOSED ESOS OPTION AND ESGS OFFER TO KOAY CHIEW POH**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Chiew Poh, the Executive Chairman of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 4**

##### **PROPOSED ESOS OPTION AND ESGS OFFER TO KOAY CHIEW KANG**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Chiew Kang, the Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 5**

##### **PROPOSED ESOS OPTION AND ESGS OFFER TO KOAY TENG LIANG**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Teng Liang, the Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 6**

##### **PROPOSED ESOS OPTION AND ESGS OFFER TO KOAY TENG KHEONG**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Teng Kheong, the Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 7**

##### **PROPOSED ESOS OPTION AND ESGS OFFER TO KOAY CHUE BENG**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Chue Beng, alternate director to Koay Chiew Poh, the Executive Chairman of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 8**

##### **PROPOSED ESOS OPTION TO NURJANNAH BINTI ALI**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Nurjannah Binti Ali, the Independent Non-Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares under the Scheme subject always to the following provisions:

- (i) she must not participate in the deliberation or discussion of her own allocation of new PPH-ESOS Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to her, if she, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.



## **ORDINARY RESOLUTION 9**

### **PROPOSED ESOS OPTION TO NG THIM FOOK**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Ng Thim Fook, the Independent Non-Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH-ESOS Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

## **ORDINARY RESOLUTION 10**

### **PROPOSED ESOS OPTION TO ONG ENG CHOON**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Ong Eng Choon, the Independent Non-Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH-ESOS Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

## **ORDINARY RESOLUTION 11**

### **PROPOSED ESOS OPTION AND ESGS OFFER TO KOAY CHIEW LEE**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Chiew Lee, the Managing Director of PPH, who is also the brother of Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, uncle of Koay Teng Liang and Koay Teng Kheong, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 12**

##### **PROPOSED ESOS OPTION AND ESGS AWARD TO KOAY SZE-LYNN**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Koay Sze Lynn, the Accountant of PPH who is also the daughter of Koay Chiew Kang, the Executive Director of PPH, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) she must not participate in the deliberation or discussion of her own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to her, if she, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

#### **ORDINARY RESOLUTION 13**

##### **PROPOSED ESOS OPTION AND ESGS AWARD TO CHEAH SOO CHUAN**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Cheah Soo Chuan, the Marketing Director of PPH who is also the nephew of Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, cousin of Koay Teng Liang and Koay Teng Kheong, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

## **ORDINARY RESOLUTION 14**

### **PROPOSED ESOS OPTION AND ESGS AWARD TO CHEAH SOO CHYE**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Cheah Soo Chye, the General Manager (Business Development) of PPH who is also the nephew of Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, cousin of Koay Teng Liang and Koay Teng Kheong, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

## **ORDINARY RESOLUTION 15**

### **PROPOSED ESOS OPTION AND ESGS AWARD TO QUAH KOK CHENG**

"**THAT**, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised at any time and from time to time for the duration of the Scheme to grant, allot and issue and/or deliver to Quah Kok Cheng, the Maintenance Executive of PPH who is also the brother-in-law of Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng, uncle of Koay Teng Liang and Koay Teng Kheong, options to subscribe up to maximum of 2,800,000 new PPH-ESOS Shares and/or PPH-ESGS Shares awarded from time to time under the Scheme subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new PPH Shares to be issued under the Scheme;
- (ii) not more than ten percent (10%) of the new PPH Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with such Director or employee, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares) of the Company; and

provided always that it is in accordance with any prevailing guidelines, the Main Market Listing Requirements of Bursa Securities, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws of the Scheme.

## **ORDINARY RESOLUTION 16**

### **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

"**THAT**, subject always to the provisions of the Companies Act, 2016 ("**Act**"), the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and/or any other regulatory authorities, the authority be and is hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3.3 of the circular to shareholders in relation to the Proposed Shareholders' Mandate provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations 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 such authority shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the AGM at which the ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it will lapse unless by a resolution passed at the meeting, the authority is renewed;
- (ii) The expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied at any time by an ordinary resolution passed by the shareholders in 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 resolution.”

### **BY ORDER OF THE BOARD**

**LEE PENG LOON** (MACS 01258)  
**P'NG CHIEW KEEM** (MAICSA 7026443)  
Company Secretaries

Penang  
14 August 2017

*Notes:*

- (1) *A proxy may but need not be a member of the Company.*
- (2) *A member shall be entitled to appoint a maximum of two (2) proxies to attend and to 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 presented by each proxy.*
- (3) *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”) there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
- (4) *For a proxy to be valid, the proxy form duly completed, must be deposited at the registered office of the Company, Wisma Public Packages, Plot 67, Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang not less than twenty-four (24) hours before the time appointed for the taking of the poll or any adjournment thereof.*
- (5) *In the case of corporate member, the proxy form must be executed under the corporation's common seal or under the hand of its officer or attorney duly authorised in which, it must be supported by a certified true copy of the resolution appointing the officer or certified true copy of the power of attorney.*
- (6) *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 General Meeting Record of Depositors as at 18 August 2017. Only depositors whose name appears on the Record of Depositors as at 18 August 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*
- (7) *Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, the resolutions set out in this Notice will be put to vote by poll.*



**PUBLIC PACKAGES HOLDINGS BERHAD**

(Company No: 162413-K)  
(Incorporated in Malaysia)

**FORM OF PROXY**

\* I /We \_\_\_\_\_ \*NRIC No./Passport No./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 No./Passport No./Company No. \_\_\_\_\_ of \_\_\_\_\_  
(Address)

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 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 Tuesday, 29 August 2017 at 10.00 am and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Proposed Bonus Issue		
2.	Proposed Scheme		
3.	Proposed ESOS Option and ESGS Offer to Koay Chiew Poh		
4.	Proposed ESOS Option and ESGS Offer to Koay Chiew Kang		
5.	Proposed ESOS Option and ESGS Offer to Koay Teng Liang		
6.	Proposed ESOS Option and ESGS Offer to Koay Teng Kheong		
7.	Proposed ESOS Option and ESGS Offer to Koay Chue Beng		
8.	Proposed ESOS Option to Nurjannah Binti Ali		
9.	Proposed ESOS Option to Ng Thim Fook		
10.	Proposed ESOS Option to Ong Eng Choon		
11.	Proposed ESOS Option and ESGS Offer to Koay Chiew Lee		
12.	Proposed ESOS Option and ESGS Offer to Koay Sze Lynn		
13.	Proposed ESOS Option and ESGS Offer to Cheah Soo Chuan		
14.	Proposed ESOS Option and ESGS Offer to Cheah Soo Chye		
15.	Proposed ESOS Option and ESGS Offer to Quah Kok Cheng		
16.	Proposed Shareholders' Mandate		

Please indicate with an "x" in the appropriate space(s) provided above 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.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

No. of shares held

Signature(s)/Common Seal of member(s)

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies :		
	No. of shares	%
Proxy 1		
Proxy 2		
		100

- Notes:
- (1) A proxy may but need not be a member of the Company.
  - (2) A member shall be entitled to appoint a maximum of two (2) proxies to attend and to 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 presented by each proxy.
  - (3) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
  - (4) For a proxy to be valid, this form duly completed, must be deposited at the registered office of the Company, Wisma Public Packages, Plot 67, Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang not less than twenty-four (24) hours before the time appointed for the taking of the poll or any adjournment thereof.
  - (5) In the case of corporate member, the proxy form must be executed under the corporation's common seal or under the hand of its officer or attorney duly authorised in which, it must be supported by a certified true copy of the resolution appointing the officer or certified true copy of the power of attorney.
  - (6) 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 General Meeting Record of Depositors as at 18 August 2017. Only depositors whose name appears on the Record of Depositors as at 18 August 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
  - (7) Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, the resolutions set out in this form will be put to vote by poll.
- \*strike out whichever not applicable

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AFFIX  
STAMP



**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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