



PUBLIC PACKAGES HOLDINGS BERHAD

Registration No. 198701003743 (162413-K)

(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED

SUMMARY OF KEY MATTERS DISCUSSED AT THE FULLY VIRTUAL 34TH ANNUAL GENERAL MEETING OF PUBLIC PACKAGES HOLDINGS BERHAD (“PPHB” OR “THE COMPANY”) HELD THROUGH LIVE STREAMING AND ONLINE PARTICIPATION AND VOTING USING REMOTE PARTICIPATION AND VOTING FACILITIES VIA THE ONLINE MEETING PLATFORM AT [HTTPS://TIIH.ONLINE](https://tiiiH.ONLINE) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (DOMAIN REGISTRATION NUMBER WITH MYNIC: D1A282781) ON WEDNESDAY, 22 SEPTEMBER 2021 AT 10.00 AM

Key matters discussed at the 34th AGM are summarised as follows:

1) Will PPHB be taken private by Koay families?

Answer: So far, the board did not receive any notices on taking the company private.

2) If not, why the minority shareholders not rewarded with better dividend than the meagre dividend notwithstanding the Koay families and their company enjoys good remunerations, rental income and other perks. There must be a dividend policy for the shareholders.

Answer: The board will look into this matter on shareholder rewards and will make necessary announcements when there is an update.

3) PPHB price is lacklustre Bursa despite its good performance.

Answer: Share price fluctuates based on prevailing market conditions.

4) PPHB’s dividend is relatively low comparing to its large amount of profit and cash. Since the Prestige Hotel has finished construction and PPHB is having a low gearing ratio, is there a plan for PPHB to reward its shareholders more (more than just 0.25 sen dividend per year)?

Answer: The board will look into this matter on shareholder rewards and will make necessary announcements when there is an update.

5) Commodity price of paper is on the rise. How is the current raw material cost comparing to past years? Would PPHB able to pass on the cost to the customers.

Answer: Yes, raw material prices have increased approximately 40% in the past year. To mitigate the risk, the Group maintains close communications with suppliers and constantly monitors paper materials costs to manage volatility.

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The Group tries its best to pass on the cost to its customers.

6) Please share the revenue and Profit After Tax by domestic and export sales.

Answer:

	Revenue (RM'000)	Profit after taxation (RM'000)
Domestic	177,610	25,611
Export	12,606	1,513
Total	190,216	21,124

7) Would you please share the revenue and PAT for each manufacturing divisions?

- Carton
- Offset printing
- Paper products

Answer: Unfortunately, we are not able to provide the exact PAT breakdown for each division. But the carton manufacturing & printing contributes approximately 90% while paper products contributes about 5%.

8) Is PPHB impacted by recent rises in freight costs? If yes, how much the impact and what are the mitigation plan to manage this matter?

Answer: Yes, but minimal impact due to the Group's concentration is more in local sales. Although the impact is minimal, the Group continues to work closely with both inbound and outbound suppliers to ensure quick response to volatility.

9) What are the PPHB's competitive advantages over competitors in Malaysia? Does PPHB has capability or technology that are not yet acquired by the competitors?

Answer: There are several aspects of our operations that contributes to our competitive advantages. For example, technology, we constantly explore and invest in new technologies to improve our operational efficiencies.

10) PPHB has been emphasising on automation of processes and operations in recent years. I would like to understand how the company is progressing. Would you please show relevant metrics to demonstrate the benefits gained through this automation? e.g. percentage of reduction in required man powers or percentage in efficiency.

Answer: Yes. Some have completed but as mentioned we continuously explore new technologies that includes automation. Unfortunately we are not able to share any metrics on this.

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- 11) There is a significant amount Profit Before Tax contributed by joint venture in year 2020 (7m in 2020 versus 1 m in 2019). Is this contribution from JV sustainable and repeatable in subsequent years?**

Answer: The higher profit contributed by joint venture in year 2020 was mainly a one-off fair value gain arising from its investment property. Based on the recent accounting standards, the Group is required to revalue its investment properties on a yearly basis. Therefore, the joint venture's contribution will depend on prevailing market conditions.

- 12) Purchasing of food and goods online are now becoming a norm for consumers in Malaysia. Is PPHB taking the opportunity to convert these demands into sales?**

Answer: Yes the group is looking into this particular sector.

- 13) May I know, what is the company's future outlook ?**

Answer: We will focus on our core businesses and continue our efforts in product innovation, expanding customer base, improving our operation efficiency and look out for new business opportunities.

- 14) How is the impact of MCO to the company?**

Answer: All our operations were in operation throughout MCO, in accordance to MKN guidelines.

- 15) How much is the cost saving for this virtual AGM as compared to the physical one ?**

Answer: Virtual meeting is more costly compared to physical meeting as more infrastructure is involved.

- 16) Will the Board consider giving door gift, such as e-voucher or e-wallet for those that have participated in this AGM ?**

Answer: Not at the moment.

- 17) How is the outlook and remedy for the Hotel division, for the current year '21 with the pandemic still raging on.**

Answer : We observed an increase in occupancy in September after relaxation of the SOP where staycations are allowed for fully vaccinated individuals. We foresee an improvement in terms of occupancy over the next three months as more economy sectors open up further.

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18) Any plan of share buyback?

Answer: Not at the moment.

19) How bad is your tourism and hotel affected the profit? What the plan for next 12 months?

Answer: The hotel business is negatively affected by the MCO and travel restrictions. We have been and will continue to focus on training for our team and fine tuning our processes and services to be prepared when travel restrictions are lifted and occupancy picks up further.