

## **PUBLIC BANK BERHAD**

### **MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD VIRTUALLY AT THE BROADCAST VENUE AT 29TH FLOOR, MENARA PUBLIC BANK, 146 JALAN AMPANG, 50450 KUALA LUMPUR ON MONDAY, 12 JANUARY 2021 AT 11.00 A.M.**

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#### **PRESENT AT BROADCAST VENUE**

##### **Board of Directors:**

Mr Lai Wan	:	Independent Non-Executive Chairman
Tan Sri Dato' Sri Tay Ah Lek	:	Managing Director/Chief Executive Officer

##### **Company Secretary:**

Cik Wan Marhanim bt Wan Muhammad

##### **Member of Senior Management:**

Ms Chang Siew Yen	:	Senior Chief Operating Officer
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##### **Representative from Principal Adviser, Public Investment Bank Berhad:**

Mr Lee Yo-Hunn	:	Chief Executive Officer
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#### **PARTICIPATED VIA VIDEO CONFERENCING**

##### **Board of Directors:**

Tan Sri Dato' Sri Dr. Teh Hong Piow	:	Founder, Chairman Emeritus, Non-Independent Non-Executive Director and Adviser
Mr Tang Wing Chew	:	Non-Independent Non-Executive Director
Ms Lai Wai Keen	:	Independent Non-Executive Director
Ms Cheah Kim Ling	:	Independent Non-Executive Director
Mr Lee Chin Guan	:	Non-Independent Non-Executive Director
Dato' Mohd Hanif bin Sher Mohamed	:	Independent Non-Executive Director
Ms Tham Chai Fhong	:	Independent Non-Executive Director

## **WELCOME BY CHAIRMAN ON BEHALF OF THE BOARD**

The Chairman, Mr Lai Wan, on behalf of the Board, welcomed the shareholders and proxies who had logged-in to TIIH Online to participate in the Public Bank Extraordinary General Meeting (EGM) which was conducted on a virtual basis through live streaming and online remote participation and voting by shareholders and proxies, pursuant to Section 327(1) of the Companies Act, 2016.

The Chairman introduced the following Members of the Board who joined the EGM remotely:

- Tan Sri Dato' Sri Dr. Teh Hong Piow
- Mr Tang Wing Chew
- Ms Lai Wai Keen
- Ms Cheah Kim Ling
- Mr Lee Chin Guan
- Dato' Mohd Hanif bin Sher Mohamed
- Ms Tham Chai Fhong

The Chairman further introduced the Managing Director/Chief Executive Officer, Tan Sri Dato' Sri Tay Ah Lek, the Company Secretary, Cik Wan Marhanim bt Wan Muhammad, the Senior Chief Operating Officer, Ms Chang Siew Yen, and the representative from the Principal Adviser, Public Investment Bank Berhad, Mr Lee Yo-Hunn, who were present at the Broadcast Venue.

## **QUORUM**

The Chairman stated that as at the start of the Meeting at 11.00 a.m. on 12 January 2021, a total of 324 shareholders and proxies had registered and logged-in to TIIH Online to participate in the EGM.

There being a quorum, the EGM was duly convened.

## **NOTICE OF MEETING**

The Notice convening the Meeting having been served on shareholders, was taken as read.

## **VOTING ON RESOLUTION BY POLL**

The Chairman informed that pursuant to the Company's Constitution and Bursa Malaysia Main Market Listing Requirements, the resolution as set out in the Notice of EGM dated 28 December 2020 would be voted by poll.

The Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Tricor), had been appointed as the Poll Administrator to conduct the online remote voting and Deloitte Risk Advisory Sdn Bhd (Deloitte) had been appointed as the Scrutineers to validate the votes cast at the EGM.

The Chairman informed that the shareholders could proceed to vote remotely on the resolution until the close of the voting session which he would announce later.

He invited Tricor, the Poll Administrator to give a briefing on the procedures for online remote voting.

## **ORDINARY BUSINESS**

**PROPOSED BONUS ISSUE OF UP TO 15,528,553,388 NEW ORDINARY SHARES IN PUBLIC BANK BERHAD ("PBB") ("PBB SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 4 BONUS SHARES FOR EVERY 1 EXISTING PBB SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE")**

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The Chairman explained that the Proposed Bonus Issue aims to reward existing shareholders for their loyalty and continuous support by enabling them to have greater participation in the equity of the Company in terms of number of PBB shares held while maintaining their percentage of equity interest in PBB.

The Chairman further explained that the Proposed Bonus Issue would result in PBB shares being more affordable in order to appeal to a wider group of public shareholders and investors, and was expected to enhance the trading liquidity of PBB shares on the Main Market of Bursa Malaysia Securities Bhd.

The Chairman then invited Mr Lee Yo-Hunn, the representative from the Principal Adviser, Public Investment Bank Berhad to present the key highlights of the Proposed Bonus Issue.

Mr Lee Yo-Hunn presented the key highlights of the Proposed Bonus Issue as follows:-

- The Proposed Bonus Issue will entail the issuance of up to 15,528,553,388 Bonus Shares on the basis of 4 Bonus Shares for every 1 existing PBB share held. Upon completion of the Proposed Bonus Issue, the share capital of PBB will increase from 3,882,138,347 shares to 19,410,691,735 shares.
- Under the Companies Act 2016 that came into effect on 31 January 2017, the concept of par value for shares had been abolished. Bursa Malaysia Securities Bhd allows for bonus issue exercises to be undertaken without capitalisation of reserves. As such, the Proposed Bonus Issue is proposed to be undertaken without capitalisation of the Company's reserves and that the Bonus Shares will be issued at nil consideration.
- The Proposed Bonus Issue will result in an adjustment to the reference price of PBB shares, but will not have any impact on the total market value of PBB shares held by shareholders of PBB.

Assuming a shareholder holds 1,000 PBB shares as at 8 January 2021 (closing market price of RM20.34 per share), the total market value of the investment was RM20,340. Upon the completion of the Proposed Bonus Issue, the shareholder would hold 5,000 shares at a theoretical adjusted reference price of approximately RM4.07 per share, thus giving the shareholder a total value of RM20,340.

- The Proposed Bonus Issue aims to reward the existing shareholders for their loyalty and continuous support by enabling them to have greater participation in the equity of the Company in terms of the number of PBB shares held, while maintaining their percentage of equity interest in PBB. It is anticipated that the Proposed Bonus Issue would result in PBB shares being more affordable, in order to appeal to a wider group of public investors as the share price per PBB share will be adjusted after the Proposed Bonus Issue, resulting in existing shareholders having more number of PBB shares to hold or trade. This is expected to enhance the trading liquidity of PBB shares on the Main Market of Bursa Malaysia Securities Bhd.
- The Proposed Bonus Issue will not have any effect on the issued share capital of PBB. The net assets per PBB share will be adjusted accordingly whereby the net assets per share will reduce from RM11.87 per share as at 30 September 2020 to RM2.37 per share. There will be no effect on the earnings of PBB, however, the earnings per share will be proportionately diluted as a result of the increase in the number of PBB shares upon completion of the Proposed Bonus Issue. There will be no effect on the substantial shareholders' shareholdings, as the bonus shares are allotted on a pro-rata basis.

- The Proposed Bonus Issue is subject to the approvals from Bank Negara Malaysia, Bursa Malaysia Securities Bhd, as well as the shareholders of PBB. The approvals from Bank Negara Malaysia and Bursa Malaysia Securities Bhd had been obtained on 18 December 2020.
- Should the Ordinary Resolution on the Proposed Bonus Issue be approved by the shareholders today, the Board is expected to meet soonest to determine the Entitlement Date of the Proposed Bonus Issue and an immediate announcement on the Entitlement Date will be made by PBB. The listing and quotation for the Bonus Shares and completion of the Proposed Bonus Issue is expected to take place by the end of January 2021.
- In conclusion, after considering the details of the Proposed Bonus Issue, its rationale as well as the effects of the Proposed Bonus Issue, the Board is of the opinion that the Proposed Bonus Issue is in the best interest of PBB and its shareholders.

After presenting the key highlights of the Proposed Bonus Issue, Mr Lee Yo-Hunn handed the Chair back to the Chairman, Mr Lai.

## **SUMMARY OF QUESTIONS SUBMITTED BY SHAREHOLDERS AND ANSWERS PROVIDED**

There were questions received from shareholders before the EGM as well as questions received online during the course of the EGM.

The Chairman addressed the requests from some shareholders for door gift or e-voucher.

The Chairman clarified that as stated in the Administrative Details sent to shareholders together with the Notice of EGM on 28 December 2020, there would be no distribution of door gift or shopping voucher to shareholders who participated in the EGM.

The Chairman then invited the Managing Director/Chief Executive Officer to provide the responses to questions submitted by shareholders as follows:

- What is the Board's rationale for adopting the basis of 4 for 1 Bonus Issue?

The Managing Director/Chief Executive Officer explained that the Board, having considered all aspects of the Proposed Bonus Issue, is of the opinion that the proposed 4 for 1 Bonus Issue will result in an adjusted PBB share price that is more affordable and appealing to a wider group of public investors.

This will enhance the trading liquidity of PBB shares and will be in the best interest of PBB and its shareholders.

- Any private placement upon the Proposed Bonus Issue exercise?

The Managing Director/Chief Executive Officer informed that there is no plan for any private placement of shares.

- What is the expected dividend payout moving forward?

The Managing Director/Chief Executive Officer explained that under the current unprecedented challenging environment, careful assessment of dividend plan is crucial.

The Board will assess and review the dividend plan upon finalisation of the 2020 full year results. The Board will always strive to sustain a healthy dividend payout, in line with profitability, whilst adopting a prudent capital management approach.

- How was the business operations of PBB including loans growth, asset quality and digital related initiatives, and how is PBB strategising its business during this challenging time?

The Managing Director/Chief Executive Officer explained that with the recent resurgence of COVID-19 pandemic cases worldwide, PBB expects challenges will continue to remain in the near term. PBB will always stay agile in response to the ongoing uncertainties.

The challenging economic condition has continued to pose asset quality risk to the banking sector. However, PBB's resilient credit profile, coupled with its active engagement with customers on the repayment assistance will help cushion any potential pressure on the asset quality.

PBB will continue to put in all efforts to grow its lending and deposits business as well as fee income in all segments, where there is market opportunity alongside the new normal.

With the on-going demand for home financing, hire purchase and small-and medium enterprises (SMEs) financing, PBB expects continued growth in these key lending segments moving forward.

On digitalisation, PBB's information and communication technology infrastructure and facilities are well in place to accommodate customers' needs during this pandemic. Moving forward, PBB will continue to intensify digital initiatives for enhanced customer experience and operational efficiency.

PBB will always ensure that it operates within the risk appetite and mindful in safeguarding fundamentals, including sustaining strong asset quality and earnings stability, in order for PBB to emerge more resilient in post-pandemic recovery.

- How PBB assists its customers who are still in need of financial assistance during the pandemic?

The Managing Director/Chief Executive Officer explained that PBB has been actively implementing its loan repayment assistance programmes which consist of various flexible repayment packages to accommodate varying customers' financial needs.

Additionally, PBB has been very proactive in promoting all the Special Relief Funds for SMEs initiated by the Government and Bank Negara Malaysia in supporting its SMEs customers.

For customers who still face financial constraints, they may contact PBB for further financial assistance, which is available until 30 June 2021.

- Any plan for share buy-back after the Proposed Bonus Issue?

The Managing Director/Chief Executive Officer informed that currently PBB has no plan to buy-back its own shares.

- Is PBB considering any dividend reinvestment scheme?

The Managing Director/Chief Executive Officer informed that PBB has no plan for dividend reinvestment scheme at this juncture.

- How much has PBB spent on the virtual EGM?

The Managing Director/Chief Executive Officer informed that the cost for holding the virtual EGM was below RM100,000.

The Managing Director/Chief Executive Officer then invited Mr Lee Yo-Hunn, the representative from the Principal Adviser, Public Investment Bank Berhad to provide responses to the following questions submitted by shareholders:

- What would be the public free float after the Proposed Bonus Issue?  
Mr Lee Yo-Hunn informed that there will not be any changes to the public free float of PBB shares after the Proposed Bonus Issue as the Bonus Shares will be allotted on a pro-rata basis to all shareholders.
- What is the effect of the Proposed Bonus Issue on the public shareholding spread of PBB?  
Mr Lee Yo-Hunn informed that the Proposed Bonus Issue will not have any effect on the public shareholding spread of PBB as the Bonus Shares will be issued on a pro-rata basis to all entitled shareholders.
- How can this be a Bonus Issue when there is no capitalisation of reserves nor increase in capital?  
Mr Lee Yo-Hunn explained that since the concept of par value for shares had been abolished under the Companies Act 2016 that came into effect on 31 January 2017, Bursa Malaysia Securities Bhd has allowed bonus issue exercises to be undertaken without capitalisation of reserves. As such, the total number of PBB shares will increase while the total market value of PBB shares held by the shareholders will remain unchanged.

Upon conclusion of addressing questions submitted by shareholders, the Managing Director/Chief Executive Officer handed the Chair back to Mr Lai.

## **NO OTHER BUSINESS**

The Chairman informed that there was no other business to be transacted at this Meeting.

## **CONTINUATION OF REMOTE POLL VOTING**

The Chairman announced at 11.30 a.m. that the online remote voting which had commenced since the start of the Meeting, would continue for another 10 minutes.

## **CONCLUSION OF REMOTE POLL VOTING**

At 11.40 a.m, the Chairman announced that the online remote voting session had closed and that the Meeting would resume immediately upon conclusion of the Scrutineers' validation of the votes cast, for the announcement of poll results.

## **ANNOUNCEMENT OF POLL RESULTS**

After the conclusion of the Scrutineers' validation of the votes cast, Mr Anthony Tai from Deloitte announced the results of the poll as reflected in the attachment.

## **DECLARATION OF RESOLUTION CARRIED**

The Chairman declared that based on the poll results, the Ordinary Resolution as set out in the Notice of EGM dated 28 December 2020 was duly passed.

## **CLOSE OF MEETING**

The Meeting concluded at 12.00 p.m. with a vote of thanks to the Chair.

**PUBLIC BANK BERHAD**  
(6463-H)

**Extraordinary General Meeting**  
29th Floor, Menara Public Bank  
146 Jalan Ampang, 50450 Kuala Lumpur  
On 12-January-2021 at 11:00AM

**Result On Voting By Poll**

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
<b>Ordinary Resolution 1</b>	2,765,445,533	99.9981	51,683	0.0019	2,765,497,216	100.0000

