

## **PUBLIC BANK BERHAD (“PBB” OR “COMPANY”)**

### **PROPOSED BONUS ISSUE OF UP TO 15,528,553,388 NEW ORDINARY SHARES IN 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 (“PROPOSED BONUS ISSUE”)**

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#### **1. INTRODUCTION**

We, Public Investment Bank Berhad (“**PIVB**”) (a wholly-owned subsidiary of PBB), on behalf of the Board of Directors of PBB (“**Board**”), wish to announce that the Company is proposing to undertake the Proposed Bonus Issue.

Further details pertaining to the Proposed Bonus Issue are set out in the ensuing sections below.

#### **2. DETAILS OF THE PROPOSED BONUS ISSUE**

##### **2.1 Basis and number of Bonus Shares to be issued**

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 by the entitled shareholders of PBB whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date to be determined and announced later (“**Entitlement Date**”) (“**Entitled Shareholder(s)**”).

The aforesaid basis of 4 Bonus Shares for every 1 existing PBB Share was arrived at after taking into consideration the potential adjustments to the share price of PBB Shares arising from the Proposed Bonus Issue.

As at 30 November 2020, being the latest practicable date (“**LPD**”) prior to this announcement, the share capital of PBB was RM9,417,653,714 comprising 3,882,138,347 PBB Shares. Upon completion of the Proposed Bonus Issue, the share capital of PBB would be RM9,417,653,714 comprising 19,410,691,735 PBB Shares.

The actual number of the Bonus Shares to be issued pursuant to the Proposed Bonus Issue will depend on the total number of issued shares of PBB on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue, if any, will be dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of PBB and its shareholders.

The Entitlement Date will be determined and announced at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue. The Proposed Bonus Issue will not be implemented on a staggered basis.

##### **2.2 No capitalisation of reserves**

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company’s reserves. For the avoidance of doubt, the Proposed Bonus Issue will increase the number of PBB Shares but will not increase the value of share capital of PBB.

## 2.3 Theoretical adjusted reference price of PBB Shares

The Proposed Bonus Issue will result in an adjustment to the reference price of PBB Shares, as quoted on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), but will not have any impact on the total market value of PBB Shares held by the Company’s shareholders.

For illustration purposes, based on the last transacted market price of PBB Shares as at the LPD, the theoretical adjusted reference price of PBB Shares upon the completion of the Proposed Bonus Issue will be as follows:

	<b>Illustrative no. of PBB Shares</b>	<b>Closing market price / theoretical adjusted reference price per PBB Share</b>	<b><sup>(c)</sup>Total value</b>
As at the LPD	1,000	<sup>(a)</sup> RM17.40	RM17,400
After the completion of the Proposed Bonus Issue	5,000	<sup>(b)</sup> RM3.48	RM17,400

*Notes:*

(a) *Based on the last transacted market price of PBB Shares as at the LPD.*

(b) *The theoretical adjusted reference price is computed as follows:*

*Closing market price of PBB Shares x (Number of PBB Shares before the Proposed Bonus Issue / Number of PBB Shares after the Proposed Bonus Issue)*

(c) *The total value is computed by multiplying the number of PBB Shares held with the closing market price or theoretical adjusted reference price per PBB Share.*

In view of the illustration above, based on the 5-day volume weighted average price (“**VWAP**”) of PBB Shares up to the LPD of RM17.9650 per PBB Share, the theoretical ex-bonus share price of PBB Shares is approximately RM3.593.

Pursuant to Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), a listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the daily VWAP during the 3-month period before the application date.

For illustrative purposes only, the theoretical ex-bonus price of PBB Shares pursuant to the Proposed Bonus Issue amounts to approximately RM3.3517 per PBB Share, calculated based on the 3-months VWAP of PBB Shares up to and including LPD of approximately RM16.7583 per PBB Share, which is in compliance with Paragraph 6.30(1A) of the Listing Requirements.

## 2.4 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PBB Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid in respect of which the entitlement date is before the allotment date of the Bonus Shares.

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

An application will be made to Bursa Securities for 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.

## **3. RATIONALE FOR THE PROPOSED BONUS ISSUE**

The Proposed Bonus Issue aims to reward the existing shareholders of the Company for their loyalty and continuous support.

After taking into consideration other options available, the Board is of the view that the Proposed Bonus Issue is an appropriate avenue for the Company to reward its existing shareholders as the Proposed Bonus Issue:

- (i) will enable existing shareholders 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;
- (ii) will result in the PBB Shares being more affordable in order to appeal to a wider group of public shareholders and investors; and
- (iii) is expected to enhance the trading liquidity of PBB Shares on the Main Market of Bursa Securities.

## **4. EFFECTS OF THE PROPOSED BONUS ISSUE**

### **4.1 Share capital**

The pro forma effects of the Proposed Bonus Issue on the share capital of PBB are set out in **Section 1, Appendix I** of this announcement.

### **4.2 Net assets (“NA”) and NA per PBB Share**

The pro forma effects of the Proposed Bonus Issue on the consolidated NA and NA per PBB Share are set out in **Section 2, Appendix I** of this announcement.

### **4.3 Earnings and earnings per PBB Share (“EPS”)**

The Proposed Bonus Issue will not have any effect on the consolidated earnings for the financial year ending 31 December 2020 save for the potential dilution in EPS as a result of the increase in the number of PBB Shares in issue arising from the Proposed Bonus Issue.

Assuming the net earnings of PBB remain unchanged, the EPS will be proportionally diluted as a result of the increase in the number of PBB Shares in issue upon the completion of the Proposed Bonus Issue.

### **4.4 Substantial shareholders’ shareholdings**

The pro forma effects of the Proposed Bonus Issue on the substantial shareholders’ shareholdings of PBB are set out in **Section 3, Appendix I** of this announcement.

### **4.5 Convertible securities**

PBB does not have any convertible securities as at the LPD.

## **5. APPROVALS REQUIRED**

The Proposed Bonus Issue is subject to approvals being obtained from the following:

- (i) Bank Negara Malaysia for the Proposed Bonus Issue;
- (ii) Bursa Securities for 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;
- (iii) the shareholders of PBB at an extraordinary general meeting (“EGM”) to be convened; and
- (iv) any other relevant authorities, if required.

Barring any unforeseen circumstances, the application to Bursa Securities in relation to the above is expected to be submitted within 1 month from the date of this announcement.

The Proposed Bonus Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## **6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the directors of PBB, major shareholders of PBB and/or persons connected to them has any interest, either direct or indirect, in the Proposed Bonus Issue beyond their respective entitlements to the Bonus Shares as shareholders of PBB for which all existing shareholders of PBB are similarly entitled.

## **7. DIRECTORS’ RECOMMENDATION**

The Board, having considered all aspects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of PBB.

Accordingly, the Board recommends that shareholders vote in favour of the resolution pertaining to the Proposed Bonus Issue to be tabled at an EGM to be convened.

## **8. ADVISERS**

PIVB has been appointed as the Principal Adviser for the Proposed Bonus Issue.

## **9. ESTIMATED TIMEFRAME FOR COMPLETION OF THE PROPOSED BONUS ISSUE**

Barring any unforeseen circumstances and subject to obtaining all the required approvals, the Proposed Bonus Issue is expected to be completed by the 1<sup>st</sup> quarter of 2021.

This announcement is dated 8 December 2020.

## 1. Pro forma effects of the Proposed Bonus Issue on the share capital

For illustration purposes, the pro forma effects of the Proposed Bonus Issue on the share capital of PBB are as follows:

	No. of PBB Shares	RM
<b>Share capital:</b>		
As at the LPD	3,882,138,347	9,417,653,714
To be issued pursuant to the Proposed Bonus Issue	15,528,553,388	-
<b>Total enlarged share capital</b>	<b>19,410,691,735</b>	<b>9,417,653,714</b>

## 2. Pro forma effects of the Proposed Bonus Issue on the consolidated NA and NA per PBB Share

For illustration purposes, based on the latest consolidated statement of financial position of PBB as at 31 December 2019 and the assumption that the Proposed Bonus Issue has been completed on 31 December 2019, the pro forma effects of the Proposed Bonus Issue on the consolidated NA and NA per PBB Share are as follows:

	Audited as at 31 December 2019 RM million	After the Proposed Bonus Issue RM million
Share capital	9,417.65	9,417.65
Regulatory reserves	2,017.35	2,017.35
Other reserves	1,606.36	1,606.36
Retained profits	30,552.97	30,552.97
Equity attributable to equity holders of PBB	43,594.33	43,594.33
Non-controlling interests	1,151.87	1,151.87
Total equity	44,746.20	44,746.20
Number of PBB Shares in issue (million)	3,882.14	19,410.69
NA per PBB Share (RM)*	11.23	2.25

Note:

\* Computed based on the equity attributable to equity holders of PBB divided by the number of PBB Shares in issue as at the LPD.

3. **Pro forma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings**

For illustration purposes, the pro forma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings of PBB are as follows:

Substantial shareholders	#As at the LPD				After the Proposed Bonus Issue			
	Direct interests		Deemed interests		Direct interests		Deemed interests	
	No. of PBB Shares held	*%	No. of PBB Shares held	*%	No. of PBB Shares held	@%	No. of PBB Shares held	@%
Tan Sri Dato' Sri Dr. Teh Hong Piow	24,711,282	0.64	^884,194,971	22.77	123,556,410	0.64	^4,420,974,855	22.77
Consolidated Teh Holdings Sdn Bhd	840,136,075	21.64	^44,058,896	1.13	4,200,680,375	21.64	^220,294,480	1.13
Employees Provident Fund Board	632,665,300	16.30	-	-	3,163,326,500	16.30	-	-

Notes:

# Based on the Register of Substantial Shareholders.

\* Computed based on the number of PBB Shares in issue of 3,882,138,347 PBB Shares as at the LPD.

@ Computed based on the number of PBB Shares in issue of 19,410,691,735 PBB Shares after the Proposed Bonus Issue.

^ Deemed to have interests in PBB Shares held by other corporations by virtue of Section 8(4) of the Companies Act 2016.