

## INFORMATION ON PBB

## 1. HISTORY AND BUSINESS

PBB was incorporated in Malaysia on 30 December 1965 as a limited company and commenced its banking operations on 6 August 1966. PBB Shares are quoted on the Main Board of the KLSE and the listing on the KLSE has been since 6 April 1967.

The PBB Group's business activities include commercial banking, merchant banking, offshore banking, credit and debit card services, Islamic banking services, deposit-taking and finance, hire purchase financing, leasing, factoring, stock and share broking, trustee and nominee services, and sale of trust units and management of unit trusts. The PBB Group operates an extensive network of 381 branches in Malaysia, comprising 213 commercial bank branches and 168 finance company branches. PBB has also established an overseas branch each in Hong Kong, Sri Lanka and Laos. In addition to an offshore bank in Labuan International Offshore Financial Centre, the PBB Group also operates a joint-venture bank in Vietnam, and a wholly-owned bank in Cambodia.

## 2. SHARE CAPITAL AND MOVEMENTS IN SHARE CAPITAL

(i) Authorised, issued and paid-up share capital of PBB as at 15 January 2002 are as follows: -

Type	No. of ordinary shares	Par value (RM)	Amount (RM)
Authorised	10,000,000,000	0.50	5,000,000,000
Issued and Paid-up	3,667,637,247	0.50	1,833,818,623.50

(ii) Changes in Issued and Paid-up Share Capital

Details of the changes in the issued and paid-up share capital of PBB since the date of incorporation are as follows: -

Date of Allotment	No. of ordinary shares allotted	Par value (RM)	Consideration	Note	Total (RM)
Up to 30.08.1966	32,000,000*	0.50*	Cash		16,000,000.00
15.11.1978	8,000,000*	0.50*	Capitalisation of reserve	a	20,000,000.00
22.07.1981	10,000,000*	0.50*	Capitalisation of reserve	b	25,000,000.00
07.01.1982	20,000,000*	0.50*	Capitalisation of reserve	c	35,000,000.00
11.02.1982	70,000,000*	0.50*	Cash	d	70,000,000.00
21.06.1983	84,000,000*	0.50*	Capitalisation of reserve	e	112,000,000.00
22.08.1983	112,000,000	0.50	Cash	f	168,000,000.00
28.06.1984	84,000,000	0.50	Capitalisation of reserve	g	210,000,000.00
05.02.1988	84,000,000	0.50	Capitalisation of reserve	h	252,000,000.00
03.08.1988	210,000,000	0.50	Cash	i	357,000,000.00
11.10.1989	437,000	0.50	Cash	j	357,218,500.00
02.05.1990	2,475,000	0.50	Cash	j	358,456,000.00
15.06.1990	238,970,667	0.50	Capitalisation of reserve	k	477,941,333.50
06.08.1990	143,382,400	0.50	Cash	l	549,632,533.50
08.10.1990	277,000	0.50	Cash	m	549,771,033.50
12.04.1991	7,657,700	0.50	Cash	m	553,599,883.50
24.09.1991	668,600	0.50	Cash	m	553,934,183.50
25.03.1992	229,400	0.50	Cash	m	554,048,883.50
15.04.1993	2,077,401	0.50	Cash	m	555,087,584.00
01.10.1993	19,824,675	0.50	Cash	m	564,999,921.50
20.04.1994	6,868,958	0.50	Cash	m	568,434,400.50

Date of Allotment	No. of ordinary shares allotted	Par value (RM)	Consideration	Note	Total (RM)
05.10.1994	2,226,000	0.50	Cash	n	569,547,400.50
27.12.1994	100,000,000	0.50	Cash	o	619,547,400.50
18.04.1996	51,000	0.50	Cash	n	619,572,900.50
07.08.1996	413,048,600	0.50	Capitalisation of reserve	p	826,097,200.50
25.10.1996	287,081	0.50	Cash	q	826,240,741.00
12.05.1997	717,700	0.50	Cash	q	826,599,591.00
06.01.1998	330,639,836	0.50	Capitalisation of reserve	r	991,919,509.00
09.03.1998	330,639,836	0.50	Cash	s	1,157,239,427.00
11.02.1999	16,015,500	0.50	Cash	t	1,165,247,177.00
11.05.1999	71,000	0.50	Cash	u	1,165,282,677.00
19.05.1999	9,473,730	0.50	Cash	u	1,170,019,542.00
07.06.1999	2,155,900	0.50	Cash	u	1,171,097,492.00
02.07.1999	24,126,500	0.50	Cash	t	1,183,160,742.00
08.12.2000	23,798,250	0.50	Cash	t	1,195,059,867.00
15.02.2001	3,325,000	0.50	Cash	t	1,196,722,367.00
31.03.2001	426,281,784	0.50	Shares in Hock Hua Bank Bhd	v	1,409,863,259.00
23.04.2001	845,917,954	0.50	Capitalisation of reserve	w	1,832,822,236.00
11.12.2001	1,992,775	0.50	Cash	x	1,833,818,623.50

\* The number of shares allotted has been adjusted to reflect the sub-division of the shares from RM1.00 par value to RM0.50 par value on 21 June 1983.

**Notes:**

- a Bonus Issue of 1 for 4 by capitalising RM4,000,000 from the General Reserve Account.
- b Bonus Issue of 1 for 4 by capitalising RM5,000,000 from the General Reserve Account.
- c Bonus Issue of 2 for 5 by capitalising RM7,000,000 from the Capital Reserve Account and RM3,000,000 from the General Reserve Account.
- d Rights Issue of 1 for 1 at RM1.00 per share.
- e Bonus Issue of 3 for 5 by capitalising RM35,000,000 from the Share Premium Account and RM7,000,000 from the General Reserve Account.
- f Rights Issue of 1 for 2 at RM1.00 per share.
- g Bonus Issue of 1 for 4 by capitalising RM26,981,000 from the Share Premium Account and RM15,019,000 from the General Reserve Account.
- h Bonus Issue of 1 for 5 by capitalising RM29,019,600 from the Share Premium Account and RM12,980,400 from the General Reserve Account. The shares issued under the Bonus Issue were not entitled to the Rights Issue stated in (i) below.
- i Rights Issue of 1 for 2 at RM0.80 per share.
- j Exercise of share options under the PBB Employees' Share Option Scheme ("ESOS") by employees at the option price of RM1.90 per share.
- k Bonus Issue of 1 for 3 by capitalising RM61,716,516 from the Share Premium Account and RM57,768,817 from the General Reserve Account. The shares issued under the Bonus Issue were not entitled to the Rights Issue stated in (l) below.

- l* Rights Issue of 1 for 5 at RM1.10 per share.
- m* Exercise of share options under the PBB ESOS by employees at the option price of RM1.38 per share.
- n* Exercise of share options under the PBB ESOS by employees at the option price of RM3.92 per share.
- o* Issue and private placement of 100,000,000 new shares as follows:  
- 70,000,000 PBB Local shares at RM4.14 per share.  
- 30,000,000 PBB Foreign shares at RM5.31 per share.
- p* Bonus Issue of 1 for 3 by capitalising RM206,524,300 from the Share Premium Account.
- q* Exercise of share options under the PBB ESOS by employees at the option price of RM2.94 per share.
- r* Bonus Issue of 1 for 5 by capitalising RM165,319,918 from the Share Premium Account. The shares issued under the Bonus Issue were not entitled to the Rights Issue stated in (s) below.
- s* Rights Issue of 1 for 5 as follows:  
- 231,447,885 PBB Local shares at RM1.00 per share.  
- 99,191,951 PBB Foreign shares at RM1.14 per share.
- t* Exercise of share options under the PBB ESOS by employees at the option price of RM1.66 per share.
- u* Exercise of share options under the PBB ESOS by employees at the option price of RM2.24 per share.
- v* New PBB Shares issued in exchange for 125,377,000 ordinary shares of RM1.00 each in Hock Hua Bank Bhd ("HHB") pursuant to the terms of the merger of PBB and HHB on 31 March 2001.
- w* Bonus Issue of 3 for 10 by capitalising RM394,813,295 from the Share Premium Account and RM28,145,682 from the Retained Profit Account.
- x* Exercise of share options under the PBB ESOS by employees at the option price of RM1.27 per share.

### 3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of PBB and their shareholdings as at 15 January 2002 are as follows: -

	No. of Shares			
	Direct	%	Indirect	%
Tan Sri Dato' Dr. Teh Hong Piow	1,000,000	0.03	981,234,817 <sup>(1)</sup>	26.75
Sekuriti Pejal Sdn Bhd	257,785,199	7.03	72,958,698 <sup>(2)</sup>	1.99
Employees Provident Fund Board	346,168,820	9.44	-	-
Consolidated Teh Holdings Sdn Bhd	91,578,000	2.50	175,425,900 <sup>(3)</sup>	4.78

**Notes:**

- (1) Deemed to have interest in PBB Shares held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965. These other corporations are CTHSB, Fairbanks Holdings (Pte) Ltd, Kayakita Corporation Sdn Bhd, KCSB, Kepunyaan Moden Sdn Bhd, KPSB, Kepunyaan Perindustrian Sdn Bhd, London & Pacific Holdings Sdn Bhd, LPI, Lonpac Insurance Bhd, Luhur Management Sdn Bhd, Magnificent Equities Sdn Bhd, Monivest Sdn Bhd, Securities Holdings Sdn Bhd, Sekuriti Pejal Sdn Bhd, SHSB, Selected Securities Sdn Bhd, Syarikat Kepunyaan Khas Sdn Bhd, Tong Meng Industries Ltd, Tong Meng Company (Malaya) Sdn Bhd and TMI Securities Pte Ltd.
- (2) Deemed to have interest in PBB Shares held by Kepunyaan Perindustrian Sdn Bhd and Syarikat Kepunyaan Khas Sdn Bhd by virtue of Section 6A(4) of the Companies Act, 1965.

- (3) Deemed to have interest in PBB Shares held by Securities Holdings Sdn Bhd, SHSB and Kayakita Corporation Sdn Bhd by virtue of Section 6A(4) of the Companies Act, 1965.

#### 4. DIRECTORS AND THEIR SHAREHOLDINGS AS AT 15 JANUARY 2002

Name	Nationality	No. of Shares Held			
		Direct	%	Indirect	%
Tan Sri Dato' Thong Yaw Hong	Malaysian	288,600	0.008	*799,500	0.022
Tan Sri Dato' Dr. Teh Hong Piow	Malaysian	1,000,000	0.027	@981,234,817	26.754
Datuk Tay Ah Lek	Malaysian	176,800	0.005	#172,900	0.005
Dato' Lee Kong Nam @ Lee Kong Lam	Malaysian	14,300	0.001	-	-
Dato' Yeoh Chin Kee	Malaysian	22,100	0.001	-	-
Tengku Abdul Rahman ibni Sultan Haji Ahmad Shah Al-Mustain Billah	Malaysian	-	-	-	-
Haji Abdul Aziz bin Omar	Malaysian	-	-	-	-
Dato' (Dr) Haji Mohamed Ishak @ Ishak bin Haji Mohamed Ariff	Malaysian	-	-	-	-
Lee Chin Guan	Malaysian	-	-	-	-

**Notes:**

- \* Deemed to have interest in PBB Shares held by persons connected as defined per Section 122A of the Companies Act, 1965 and by Equity Heights Sdn Bhd by virtue of Section 6A(4) of the Companies Act, 1965.
- @ Deemed to have interest in PBB Shares held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965. These other corporations are CTHSB, Fairbanks Holdings (Pte) Ltd, Kayakita Corporation Sdn Bhd, KCSB, Kepunyaan Moden Sdn Bhd, KPSB, Kepunyaan Perindustrian Sdn Bhd, London & Pacific Holdings Sdn Bhd, LPI, Lonpac Insurance Bhd, Luhur Management Sdn Bhd, Magnificent Equities Sdn Bhd, Moninvest Sdn Bhd, Securities Holdings Sdn Bhd, Sekuriti Pejal Sdn Bhd, SHSB, Selected Securities Sdn Bhd, Syarikat Kepunyaan Khas Sdn Bhd, Tong Meng Industries Ltd, Tong Meng Company (Malaya) Sdn Bhd and TMI Securities Pte Ltd.
- # Deemed to have interest in PBB Shares held by Lek Holdings Sdn Bhd by virtue of Section 6A(4) of the Companies Act, 1965.

5. SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 15 JANUARY 2002

Name of company	Date and Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
<b><i>Subsidiaries</i></b>				
Public Finance Bhd#	30.12.1965 Malaysia	RM330,000,000	56.8	Licensed finance company
Public Merchant Bank Bhd	05.07.1973 Malaysia	RM165,000,000	100.0	Merchant banking
Public Merchant Nominees (Tempatan) Sdn Bhd	02.09.1974 Malaysia	RM10,000	100.0	Nominee services (currently dormant)
Public Merchant Nominees (Asing) Sdn Bhd	26.07.1993 Malaysia	RM2	100.0	Nominee services (currently dormant)
Public Nominees (Tempatan) Sdn Bhd	30.12.1965 Malaysia	RM10,000	100.0	Nominee services
Public Nominees (Asing) Sdn Bhd	21.5.1993 Malaysia	RM10,000	100.0	Nominee services
Public Holdings Sdn Bhd	26.3.1973 Malaysia	RM2,500,000	100.0	Property holding
Public Leasing & Factoring Sdn Bhd	10.1.1984 Malaysia	RM10,000,000	100.0	Leasing and industrial hire purchase
PB International Factors Sdn Bhd	7.6.1990 Malaysia	RM10,000,000	55.0	Factoring
Public Consolidated Holdings Sdn Bhd	4.3.1987 Malaysia	RM250,000,000	100.0	Investment holding
PB Securities Sdn Bhd	28.8.1974 Malaysia	RM350,000,000	100.0	Stock and share broking
Business Premium Sdn Bhd	2.10.1998 Malaysia	RM5,411,504	77.3	Investment holding
Kuala Lumpur Mutual Fund Bhd	21.7.1975 Malaysia	RM6,000,000	78.2	Sale of trust units and management of unit trusts
PB Futures Sdn Bhd (under Member's Voluntary Liquidation)	10.10.1990 Malaysia	RM9,500,000	100.0	Futures broking (currently dormant)
PB Securities Nominees (Tempatan) Sdn Bhd	26.2.1988 Malaysia	RM10,000	100.0	Nominee services
PB Securities Nominees (Asing) Sdn Bhd	24.4.1993 Malaysia	RM10,000	100.0	Nominee services
Public Bank (L) Ltd	13.10.1990 Malaysia	US\$10,000,000	100.0	Offshore banking
PB Trust Company Sdn Bhd	10.10.1990 Malaysia	RM150,000	100.0	Trustee services
HHB Holdings Bhd#	8.11.1951 Malaysia	RM125,377,000	100.0	Inactive
Hock Hua Finance Bhd	25.1.1968 Malaysia	RM22,500,000	100.0	Dormant

Name of company	Date and Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
PB Properties Sdn Bhd	6.8.1984 Malaysia	RM5,200,000	100.0	Property holding
Hock Hua Nominees (Tempatan) Sdn Bhd	6.12.1985 Malaysia	RM3	100.0	Nominee services (currently dormant)
Hock Hua Finance Nominees (Tempatan) Sdn Bhd	9.4.1996 Malaysia	RM2	100.0	Nominee services (currently dormant)
PB Venture Capital Sdn Bhd	10.9.1991 Malaysia	RM1,010,000	100.0	Venture capital financing
JCG Holdings Ltd*	16.8.1991 Bermuda	HK\$70,707,441	59.3	Investment holding
JCG Finance Company, Ltd	20.10.1977 Hong Kong	HK\$258,800,000	59.3	Deposit-taking and finance
Funds Fit Ltd	17.1.1991 Hong Kong	HK\$10,100,000	59.3	Investment holding
JCG Securities Ltd	16.1.1990 Hong Kong	HK\$10,000,000	59.3	Stock and share broking
JCG Nominees Ltd	26.11.1991 Hong Kong	HK\$10,000	59.3	Nominee services
Winton Holdings (Bermuda) Ltd*	29.6.1992 Bermuda	@HK\$134,400,000	44.5	Investment holding
Eastwood Overseas Corporation	9.3.1993 British Virgin Islands	US\$1	44.5	Dormant
Eternal Success Company Ltd	21.6.1988 Hong Kong	HK\$20	44.5	Property holding
Keytop Investment Ltd (under Members' Voluntary Liquidation)	26.11.1992 Hong Kong	HK\$2	44.5	Dormant
Winsure Company, Ltd	2.7.1971 Hong Kong	HK\$1,600,000	43.1	Dormant
Winton (B.V.I.) Ltd	11.6.1992 British Virgin Islands	HK\$61,773	44.5	Investment and property holding
Winton Financial Ltd	19.10.1971 Hong Kong	HK\$4,000,010	44.5	Provision of taxi financing loans, and provision of personal and short-term loans
Winton Financial (Factoring) Ltd	2.6.1994 Hong Kong	HK\$1,000,000	44.5	Provision of taxi financing loans
Winton Investment Company (China) Ltd	18.12.1981 Hong Kong	HK\$1,000,000	44.5	Investment holding
Winton Motors, Ltd	23.1.1970 Hong Kong	HK\$78,000	44.5	Trading of taxis and public light buses and leasing of taxis
Winton Motors Trading Company Ltd	19.7.1994 Hong Kong	HK\$2	44.5	Trading of taxis and public light buses

Name of company	Date and Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Winton Restaurant Ltd (under Members' Voluntary Liquidation)	24.6.1988 Hong Kong	HK\$20	44.5	Dormant
Winton Trading Company Ltd	19.8.1988 Hong Kong	HK\$20	44.5	Trading of automobile accessories and spare parts
Wu Shang Mei Winton (China) Investment Company Ltd	2.3.1993 Hong Kong	HK\$100	40.0	Investment holding
Cambodian Public Bank Ltd	20.2.1992 Cambodia	US\$15,000,000	100.0	Banking
<b><i>Associated Companies</i></b>				
PB Trustee Services Bhd	24.8.1968 Malaysia	RM525,000	31.4	Trustee services
VID Public Bank	15.4.1992 Vietnam	US\$15,000,000	50.0	Banking
CPB Properties Company Ltd	15.11.1996 Cambodia	US\$8,000	49.0	Property holding
ZKW Enterprise (Group) Co., Ltd	18.11.1981 People's Republic of China	HK\$23,365,215 and RMB19,288,674	16.6	Investment holding, general trading and automobile repairs centre
Zhangjiagang Rixing Freight & Storage Co., Ltd	19.5.1993 People's Republic of China	US\$2,527,850	18.7	Cargo handling and transportation

**Notes:**

# Shares are quoted on the Main Board of the KLSE

\* Ordinary shares are quoted on The Stock Exchange of Hong Kong Ltd

@ Inclusive of convertible preference shares of HK\$92,400,000

HK\$ Hong Kong Dollar

US\$ United States Dollar

RMB Renminbi

## 6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the PBB Group based on the audited accounts for the past four (4) financial years ended 31 December 2000 and the unaudited accounts for the nine (9) months ended 30 September 2001 are as follows: -

Financial year ended 31 December	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	Unaudited as at 30.9.2001 RM'000
Operating revenue	4,108,340	4,762,100	3,720,051	3,459,334	2,837,530
Profit before taxation	634,682	198,791	838,174	1,259,717	928,413
Taxation	(234,548)	(111,746)	(50,762)	(340,799)	(241,121)
Zakat	-	-	-	-	(48)
Profit after taxation	400,134	87,045	787,412	918,918	687,244
Minority interests	(125,233)	(35,819)	(171,271)	(202,053)	(167,211)
Profit after taxation and minority interests	274,901	51,226	616,141	716,865	520,033
Extraordinary item	-	-	-	-	-
Profit after taxation, minority interests and extraordinary item	274,901	51,226	616,141	716,865	520,033
Net earnings per 50 sen share (sen)	13.9	2.3	26.2	30.3	14.9
Gross dividend per share (sen)	4.25	2.00	*4.00	*7.50	-

### Notes:

\* Tax exempt

- In 1997, operating revenue increased by 23.6% compared to that recorded in the previous year. Profit before taxation however decreased by 20.4% as a result of a difficult business environment of the banking and finance industry due to the regional economic turmoil.
- Operating revenue increased by approximately 15.9% in 1998. Profit before taxation declined by 68.7% as a result of lower profitability of the finance company operations in Malaysia and Hong Kong and the PBB Group's stockbroking operations despite an improvement in the performance of the Group's commercial bank.
- In 1999, profit before taxation improved significantly by approximately 4 times as a result of a significant decrease in loan loss provisions, mainly in commercial banking and stockbroking activities. As a consequence and also as a result of the tax waiver for 1999, profit after taxation increased by approximately 9 times.
- In 2000, profit before taxation of the PBB Group improved by approximately 50% or RM421.5 million as compared to the previous financial year. The significant improvement was mainly due to the reduction in loan loss provision and improvement in interest rate spread resulting from the decline in deposit interest rates.
- There are no extraordinary items throughout the periods under review. There are no exceptional items throughout the periods under review.
- For the nine months ended 30 September 2001, the Group achieved a marginal increase in profitability of RM3.1 million to RM928.4 million as compared to the previous corresponding period. This was primarily due to the higher business volume achieved arising from the merger of the banking business of Hock Hua Bank Berhad, which was completed on 31 March 2001, and higher profits from the sale of investment securities. This increase was offset by higher loan loss provision and lower recoveries.

## 7. SHARE PRICES

The monthly high and low share prices of PBB as traded on the KLSE for the past twelve (12) months from February 2001 are as follows: -

	High (RM)	Low (RM)
<b><u>2001</u></b>		
February	2.71	2.43
March	2.63	2.27
April	2.42	2.16
May	2.52	2.22
June	2.30	2.23
July	2.39	2.23
August	2.48	2.32
September	2.51	2.01
October	2.31	2.10
November	2.41	2.14
December	2.53	2.03
<b><u>2002</u></b>		
January	2.59	2.46

The last transacted prices on the KLSE on 3 January 2002, being the last transacted market price immediately prior to the announcements of the Proposed Acquisitions and Disposals was RM2.48.

The last transacted price on the KLSE on 14 February 2002, being the latest practicable date prior to the printing of this Circular was RM2.79.

*(Source: Bloomberg and KLSE Daily Diary)*

## 8. AUDITED ACCOUNTS OF PBB FOR 2000

An extract of PBB's latest Annual Report showing the audited consolidated profit and loss accounts, balance sheets and cashflow statements together with the notes and the Auditors' Report for the financial year ended 31 December 2000 are set out in Appendix IV. *(Note: The reference to the paging in the Auditors' Report is made in relation to the Annual Report of PBB.)*