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If you are in any doubt as to the course of action to be taken, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other professional adviser immediately. If you have sold all your shares in the Company, you should at once hand this Statement and Circular to the agent through whom the sale was contracted for onward transmission to the purchaser.

Pursuant to the provisions of Practice Note 18 of the Main Market Listings Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on the perusal of the Statement and Circular, Bursa Securities has not perused this Statement and Circular prior to its issuance as they are Exempt Circulars. Bursa Securities takes no responsibility for the contents of this Statement and 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 Statement and Circular.



(Company No.: 515119-U)  
(Incorporated in Malaysia under the Companies Act, 1965)

**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY PBA HOLDINGS BHD. OF ITS OWN ORDINARY SHARES**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

The above proposals will be tabled as Special Business at the Company's Thirteenth Annual General Meeting ("13<sup>th</sup> AGM"). The Notice of the 13<sup>th</sup> AGM to be held at Pinang Ballroom, Traders Hotel, Magazine Road, 10300 Penang on Saturday, 29 June 2013 at 11.00 a.m. or any adjournment thereof, together with the Form of Proxy, are set out in the Company's Annual Report 2012, which is despatched to you together with this Statement and Circular.

The Form of Proxy must be lodged at the registered office of the Company at 32nd Floor, Komtar, 10000 Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy: 27 June 2013 at 11.00 a.m.  
Date and time of 13<sup>th</sup> AGM: 29 June 2013 at 11.00 a.m.

This Statement and Circular is dated 7 June 2013

**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED  
RENEWAL OF AUTHORITY FOR THE PURCHASE BY PBA HOLDINGS BHD.  
OF ITS OWN ORDINARY SHARES**

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## DEFINITIONS

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For the purpose of this Statement and Circular, except where the context otherwise requires, the following definitions shall apply: -

|                                 |   |
|---------------------------------|---|
| <b>Act</b>                      | — Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force  |
| <b>AGM</b>                      | — Annual General Meeting  |
| <b>Articles</b>                 | — Articles of Association of PBAHB  |
| <b>Board</b>                    | — The Board of Directors of PBAHB   |
| <b>Bursa Depository</b>         | — Bursa Malaysia Depository Sdn Bhd (165570-W)  |
| <b>Bursa Securities</b>         | — Bursa Malaysia Securities Berhad (635998-W)   |
| <b>Code</b>                     | — Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time   |
| <b>EPS</b>                      | — Earnings per Share  |
| <b>Listing Requirements</b>     | — The Main Market Listing Requirements of Bursa Securities including any amendments thereof that may be made from time to time  |
| <b>NA</b>                       | — Net assets  |
| <b>PBAHB or the Company</b>     | — PBA Holdings Bhd. (515119-U), a public company limited by shares incorporated in Malaysia under the Act   |
| <b>PBAHB Group or the Group</b> | — PBAHB and its subsidiaries as defined in Section 5 of the Act   |
| <b>Proposals</b>                | — Proposed Renewal and Proposed Amendments  |
| <b>Proposed Amendments</b>      | — Proposed Amendments to the Articles   |
| <b>Proposed Renewal</b>         | — Proposed renewal of existing authority granted to the Company to purchase its own shares up to a maximum of 10% of its issued and paid-up ordinary share capital  |
| <b>Purchased Shares</b>         | — Shares which are purchased by the Company pursuant to the Share Buy-Back  |
| <b>Record of Depositors</b>     | — A record maintained by Bursa Depository pursuant to its rules, including any amendment thereof  |
| <b>RM and sen</b>               | — Ringgit Malaysia and sen respectively   |
| <b>Share(s)</b>                 | — Ordinary share(s) of RM0.50 each in PBAHB   |
| <b>Share Buy-Back</b>           | — The proposed purchase by PBAHB of its own shares pursuant to the Proposed Renewal   |
| <b>Substantial Shareholder</b>  | — A person who has an interest or interests in one or more voting Shares in the Company and the nominal amount of that Share, or the aggregate of the nominal amount of those Shares is not less than 5% of the aggregate of the nominal amount of all the voting Shares in the Company |

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

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## PART A

### **PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES**

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#### **1. INTRODUCTION**

The Company had, on 22 May 2013, announced that it proposes to seek the approval of its shareholders for the Proposed Renewal at the forthcoming 13<sup>th</sup> AGM.

The purpose of this Statement is to provide you with the relevant details of the Proposed Renewal and to seek your approval on the relevant ordinary resolution to be tabled at the forthcoming 13<sup>th</sup> AGM, which will be held at Pinang Ballroom, Traders Hotel, Magazine Road, 10300 Penang on Saturday, 29 June 2013 at 11.00 a.m. or any adjournment thereof. Notice of the 13<sup>th</sup> AGM and Form of Proxy are set out in the 2012 Annual Report of the Company, which is despatched together with this statement.

**SHAREHOLDERS OF PBAHB ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL.**

#### **2. PROPOSED RENEWAL**

##### **2.1 Details of the Proposed Renewal**

The Board had, during the Twelfth AGM held on 26 June 2012, obtained its shareholders' approval for the Company to purchase and/or hold in aggregate up to 10% of the total issued and paid-up ordinary share capital of the Company at any point in time through Bursa Securities. In accordance with the Listing Requirements governing the purchase of its own shares by a listed company, the aforesaid authority will continue in force until the conclusion of the forthcoming 13<sup>th</sup> AGM of the Company which will be held on Saturday, 29 June 2013, unless a renewal of mandate is obtained from shareholders of the Company at the AGM.

The Board proposes to seek approval from its shareholders for a renewal of authorisation to enable PBAHB to continue to purchase its own Shares of up to a maximum of ten percent (10%) of the issued and paid-up ordinary share capital of the Company as quoted on Bursa Securities at any point of time subject to compliance with Section 67A of the Act, Part IIIA of the Companies Regulations 1966, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities. The purchase of the Company's own Shares will be carried out on Bursa Securities through an appointed stockbroker.

As at 7 May 2013, the total issued and paid-up share capital of PBAHB is RM165,635,201 comprising of 331,270,401 Shares and 1 Special Rights Redeemable Preference Share of RM0.50 ("Special Share") (*inclusive of 179,900 Shares bought back and retained as treasury shares, representing approximately 0.05% of the paid up ordinary share capital of the Company*). Under the existing Share Buy Back mandate, the maximum number of Shares which may be purchased and/or held by the Company will be ten per centum (10%) of the issued and paid up ordinary share capital of PBAHB, which is 33,127,040 Shares, including 179,900 Shares which have been bought back and retained as treasury. None of the Shares bought back have been cancelled.

The Proposed Renewal will be effective upon the passing of the relevant Ordinary Resolution at the forthcoming 13<sup>th</sup> AGM and such authority will continue to be in force until: -

- a) the conclusion of the next AGM of PBAHB following the forthcoming 13<sup>th</sup> AGM, at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - b) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company;
- whichever occurs first.

## **2.2 Funding for the Share Buy-Back**

In accordance with the Listing Requirements, the maximum funds to be utilised for the Proposed Renewal shall not exceed the aggregate of the retained profits and/or share premium accounts of the Company. Based on the latest audited financial statements of the Company for the financial year ended 31 December 2012, the retained earnings and share premium of the Company were RM56 million and RM162 million respectively. Based on the unaudited announced financial results for the first quarter ended 31 March 2013, the retained profits and share premium of the Company were RM55 million and RM162 million respectively.

The Share Buy-Back will be funded from the PBAHB Group's internally generated funds and/or external borrowings, the portion of which to be utilised will depend on the actual number of Shares to be purchased, the price of the Shares and the availability of funds at the time of the purchase(s). If borrowings are used for the Share Buy-Back, the Group will experience a decline in its net cash flow to the extent of the interest costs associated with such borrowings but the Board does not foresee any difficulty to repay such borrowings and that such repayment will not have a material effect on the cash flow of the Group.

The actual number of Shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on the market conditions and sentiments of the stock market as well as the retained profits, share premium account and financial resources available to the Group.

## **2.3 Status and Treatment of Purchased Shares**

The Purchased Shares by the Company may be dealt with by the Board in accordance with Section 67A of the Act, in the following manner:-

- (a) To cancel the Purchased Shares so purchased; and/or
- (b) To retain the Purchased Shares as treasury shares for distribution as dividends to the shareholders of the Company and/or resell the treasury shares on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
- (c) To retain part of the Purchased Shares as treasury shares and cancel the remainder; and/or
- (d) any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements as well as any other relevant authority for the time being in force.

As at the date of this Statement, the Board has yet to make any decision with regard to the treatment of the Shares to be so purchased and will take into consideration the effects of such treatment on the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares pursuant to the Share Buy-Back.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

## **2.4 Public Shareholding Spread**

Pursuant to Paragraph 8.02 (1) of the Listing Requirements, a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders ("Required Public Shareholding Spread").

As at 7 May 2013, the public shareholding spread of the Company was 30.73% of the issued and paid-up ordinary share capital of the Company.

The Board undertakes that the Proposed Renewal will be conducted in accordance with the laws and regulations prevailing at the time of the purchase including compliance with the Required Public Shareholding Spread requirement.

The public shareholding spread of the Company as at 7 May 2013 and after incorporating the effects of the Proposed Renewal is as follows:-

|                            | <b>As at<br/>7 May 2013</b> | <b>After the<br/>Share Buy-Back*</b> |
|----------------------------|-----------------------------|--------------------------------------|
| Public shareholding spread | 30.73%                      | 23.08 %                              |

Note:-

\* Based on the assumptions that:-

- (i) the Share Buy-Back involves the aggregate purchase of 33,127,040 Shares (representing 10% of the issued and paid-up share capital of PBAHB as at 7 May 2013 and the said Purchased Shares are to be cancelled);
- (ii) the Purchased Shares are from the shareholders other than the Directors, substantial shareholders of PBAHB and persons connected to them; and
- (iii) the number of Shares held by the Directors of the Group, the Substantial Shareholders of PBAHB and persons connected with them remain unchanged.

As illustrated above, the Company noted that the Required Public Shareholding Spread requirement will not be met in the event the Company purchases up to ten percent (10%) of its existing issued and paid-up share capital. However, the Company will ensure that prior to any Share Buy-Back exercise, the public shareholdings spread of 25% is maintained and the Company will be mindful of the Required Public Shareholding Spread requirement before making any purchase of its own Shares.

## **2.5 Implications Relating to the Code**

Pursuant to the Code, a person and any person acting in concert with him, will be obliged under Part II of the Code to make a mandatory offer for the remaining Shares of the Company not already owned by him/them if he and/or persons acting in concert with him hold more than 33% but less than 50% of the voting shares of the company and has inadvertently increased his/their shareholdings by 2% or more in any six (6)-month period.

However, an exemption from a mandatory general offer may be granted by the Securities Commission ("SC") under Practice Note 9 of the Code, subject to the substantial shareholder(s) and/or the person(s) acting in concert complying with conditions stipulated in the said practice note, if the obligation is triggered as a result of any action that is outside their direct participation.

Should such circumstances arise and if required, the substantial shareholder(s) and/or the person(s) acting in concert are expected to make an application to the SC for the waiver from implementing a mandatory general offer under the Code, before implementing the Proposed Renewal.

In the event the proposed waiver is not granted by the SC, the Company will only proceed with Proposed Renewal to the extent that it will not contravene the limit as provided under the Code.

## **2.6 Rationale/Potential Advantages and Disadvantages of Share Buy-Back**

Any Share Buy-Back, if implemented pursuant to the Proposed Renewal, is likely to potentially benefit PBAHB and its shareholders in the following manner: -

- (a) To allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of the Shares and hence, enhance investors' confidence;
- (b) To allow the Company flexibility in achieving the desired capital structure, in terms of the debt and equity composition, and the size of equity;
- (c) When the Purchased Shares bought back by the Company are cancelled, shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net EPS of the Company and the Group will increase proportionately, *ceteris paribus*;
- (d) The Purchased Shares may be held as treasury shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s); and

- (e) All other things being equal, the Proposed Renewal will result in a lower number of Shares being used for the purpose of computing EPS, if the Purchased Shares are subsequently cancelled or during such period such Shares are held as treasury shares. Thereafter, the Proposed Renewal will improve the EPS of PBAHB which in turn expected to have a positive impact on the market price of the Shares.

The potential disadvantages of the Proposed Renewal to the Company and its shareholders are as follows:-

- (a) The Proposed Renewal will reduce the financial resources of the Group and may represent an opportunity cost to the Group in respect of its ability to undertake other investment opportunities and/or to earn other income that may be derived from the alternative use of such funds; and
- (b) As the Proposed Renewal can only be made out of retained profits and/or share premium account of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

The Proposed Renewal, if implemented, will reduce the financial resources of the Group, but since the amount is not substantial, the Board is of the view that the Proposed Renewal will not affect the furtherance of the Group's business. Nevertheless, the Board will be mindful of the interest of PBAHB and its shareholders in undertaking the Proposed Renewal and in the subsequent cancellation of the Purchased Shares.

### 3. EFFECTS OF THE PROPOSED RENEWAL

The effects of the Shares Buy-Back are as follows:-

#### 3.1 Share Capital

The effects on the issued and paid-up share capital of the Company are as follows:-

| Share Capital  | No. of Shares      | RM                    |
|--|--------------------|-----------------------|
| <b>Total Issued and paid-up share capital as at 7 May 2013</b>                                 | 331,270,402        | 165,635,201.00        |
| Less: Special Share  | 1                  | 0.50                  |
| Issued and paid-up ordinary shares capital*  | 331,270,401        | 165,635,200.50        |
| Maximum number of Shares that may be purchased pursuant to the Proposed Renewal *              | (33,127,040)       | (16,563,520.05)       |
| <b>Total issued and paid-up share ordinary capital upon completion of the Proposed Renewal</b> | <b>298,143,361</b> | <b>149,071,680.45</b> |

Note:-

\* Inclusive of 179,900 treasury shares currently held by the Company as at 7 May 2013.

The actual effect of the Share Buy-Back on the issued and paid-up share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. There will be no effect on the issued and paid up share capital of the Company if the Purchased Shares are retained as treasury shares, resold or distributed as share dividend to shareholders.

#### 3.2 Earnings

The effect of the Share Buy-Back on the EPS of the Group will depend on the purchase prices of the Shares, the number of Shares purchased and the effective funding cost to the Group to finance the purchase of Shares or any loss in interest income to the Group.

Should the Company choose to hold the Purchased Shares as treasury shares and resell the Shares subsequently, the effect on the EPS of the Group will depend on the actual selling price, the number of treasury shares resold, and the effective gain or interest saving arising from the exercise.

If the Shares so purchased are cancelled, the Share Buy-Back will increase the EPS of the Group provided that the income foregone and interest expenses incurred on the Purchase Shares is less than the EPS before the Share Buy-Back.



### 3.3 NA, Gearing and Working Capital

The effect of the Share Buy-Back on the NA of the Group will depend on the purchase prices of the Shares, the number of Shares purchased and the effective funding cost to the Group to finance the purchase of Shares or any loss in interest income to the Group.

In the event that all the Purchased Shares are cancelled, the Proposed Renewal would reduce the NA per Share of the Group when the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice versa.

The NA per Share will decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and offset against equity, resulting in a decrease in the NA by the cost of the treasury shares. In the event the treasury shares are subsequently resold on the Main Market of Bursa Securities, the NA of the Group will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are subsequently distributed as share dividends, the NA of the Group would decrease by the cost of the treasury shares.

The effect of the Proposed Renewal on the gearing of the PBAHB Group will depend on the proportion of borrowings utilised to fund any purchase of Shares. The utilisation of any borrowings to fund the purchase of any Shares will serve to increase the gearing of the PBAHB Group.

The Proposed Renewal will reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Shares purchased.

For Purchased Shares which are kept as treasury shares, upon their resale, the working capital and cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

### 3.4 Directors' and Substantial Shareholders' Interests

The Shares purchased by the Company pursuant to the Proposed Renewal that are retained as treasury shares and/or cancelled will result in a proportionate increase in the percentage of shareholdings of the Directors and Substantial Shareholders of the Company.

The effects of the Proposed Share Buy-Back on the direct and indirect interests of the Directors and Substantial Shareholders and any person connected with the Directors and/or Substantial Shareholders in the proposed purchase based on the Register of Directors and Substantial Shareholders of PBAHB as at 7 May 2013 are illustrated as follows:-

|  | Existing as at 7 May 2013 |   |               |   | After Share Buy-Back |   |               |   |
|--|---------------------------|---|---------------|---|----------------------|---|---------------|---|
|  | Direct                    |   | Indirect      |   | Direct               |   | Indirect      |   |
|  | No. of Shares             | % | No. of Shares | % | No. of Shares        | % | No. of Shares | % |
| <b>Directors</b>                           |                           |   |               |   |                      |   |               |   |
| Y.A.B. Tuan Lim Guan Eng                   | -                         | - | -             | - | -                    | - | -             | - |
| Y.B. Dato' Mansor Bin Othman               | -                         | - | -             | - | -                    | - | -             | - |
| Y.B. Prof Dr. P. Ramasamy A/L Palanisamy   | -                         | - | -             | - | -                    | - | -             | - |
| Y.B. Dato' Haji Farizan Bin Darus          | -                         | - | -             | - | -                    | - | -             | - |
| YB Dato' Faiza Binti Zulkifli              | -                         | - | -             | - | -                    | - | -             | - |
| Y.B. Dato' Haji Mokhtar Bin Mohd Jait      | -                         | - | -             | - | -                    | - | -             | - |
| Y.B. Tuan Lim Hock Seng                    | -                         | - | -             | - | -                    | - | -             | - |
| Y.B. Tuan Haji Abdul Malik Bin Abul Kassim | -                         | - | -             | - | -                    | - | -             | - |
| Tuan Haji Mohamad Bin Sabu                 | -                         | - | -             | - | -                    | - | -             | - |

|   | Existing as at 7 May 2013  |       |                           |      | After Share Buy-Back       |       |                           |      |
|---|----------------------------|-------|---------------------------|------|----------------------------|-------|---------------------------|------|
|   | Direct                     |       | Indirect                  |      | Direct                     |       | Indirect                  |      |
|   | No. of Shares              | %     | No. of Shares             | %    | No. of Shares              | %     | No. of Shares             | %    |
| Y Bhg Dato' Chew Kong Seng                                  | -                          | -     | -                         | -    | -                          | -     | -                         | -    |
| Y Bhg Dato' Syed Mohamad Bin Syed Murtaza                   | -                          | -     | <sup>(a)</sup> 13,567,900 | 4.10 | -                          | -     | <sup>(a)</sup> 13,567,900 | 4.55 |
| Agatha Foo Tet Sin  | -                          | -     | -                         | -    | -                          | -     | -                         | -    |
| Athi Isvar a/l Athi Nahappan                                | -                          | -     | -                         | -    | -                          | -     | -                         | -    |
| Ahmed bin Chee  | -                          | -     | -                         | -    | -                          | -     | -                         | -    |
| <b>Substantial Shareholders</b>                             |                            |       |                           |      |                            |       |                           |      |
| State Secretary, Penang Perbadanan Pembangunan Pulau Pinang | <sup>(b)</sup> 182,050,001 | 54.98 | -                         | -    | <sup>(b)</sup> 182,050,001 | 61.06 | -                         | -    |
|   | 33,100,000                 | 10.00 | -                         | -    | 33,100,000                 | 11.10 | -                         | -    |

Notes:-

(a) Deemed interested through his interest held in Yayasan Bumiputra Pulau Pinang Bhd by virtue of Section 6A of the Act.

(b) Excluding 1 special rights redeemable preference share of RM0.50 each which is not listed on the Main Market of Bursa Securities.

#### 4. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the shareholders of the Company as a result of the Share Buy-Back, none of the Directors and/or Substantial Shareholders and/or persons connected to the Directors and/or Substantial Shareholders of PBAHB have any interest, either direct or indirect in the Proposed Renewal.

#### 5. CONDITION TO THE PROPOSED RENEWAL

The Proposed Renewal is conditional upon approval of the shareholders of the Company at the forthcoming 13<sup>th</sup> AGM.

#### 6. PURCHASES AND RESALE OF SHARES MADE IN THE LAST FINANCIAL YEAR

The Company had purchased a total of 2,000 Shares in the last financial year ended 31 December 2012 and all 2,000 Shares are currently held as treasury shares. As at 7 May 2013, the total treasury shares held by PBAHB is 179,900 Shares.

Information on the PBAHB Shares purchased during the financial year ended 31 December 2012 is set out in the "Additional Compliance Information" section of the PBAHB Annual Report 2012.

#### 7. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal, is of the opinion that the Proposed Renewal is in the best interest of the Company.

Accordingly, the Board **recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal** to be tabled at the forthcoming 13<sup>th</sup> AGM.

#### 8. AGM

The ordinary resolution to approve the Proposed Renewal is set out as Special Business in the Notice of the 13<sup>th</sup> AGM contained in PBAHB's Annual Report 2012, which is sent to you together with this Statement. The 13<sup>th</sup> AGM will be held at Pinang Ballroom, Traders Hotel, Magazine Road, 10300 Penang on Saturday, 29 June 2013 at 11.00 a.m.

If you are unable to attend in person at the 13<sup>th</sup> AGM, please complete the Form of Proxy in accordance with the instructions contained therein and forward it to the Company's Registered Office at 32nd Floor, Komtar, 10000 Penang not later than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 13<sup>th</sup> AGM should you subsequently wish to do so.

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**PART B**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE  
COMPANY**

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**Registered Office:-**

32<sup>nd</sup> Floor, Komtar  
10000 Penang

7 June 2013

**Board of Directors:-**

*Y.A.B. Tuan Lim Guan Eng, Non-executive Chairman*  
*Y.B. Dato' Mansor Bin Othman, Non-executive Deputy Chairman*  
*Y.B. Prof Dr. P. Ramasamy A/L Palanisamy, Non-executive Director*  
*Y.B. Dato' Haji Farizan bin Darus, Non-executive Director*  
*YB Dato' Faiza Binti Zulkifli, Non-executive Director*  
*Y.B. Dato' Haji Mokhtar Bin Mohd Jait, Non-executive Director*  
*Y.B. Tuan Lim Hock Seng, Non-executive Director*  
*Y.B. Tuan Haji Abdul Malik Bin Abul Kassim, Non-executive Director*  
*Tuan Haji Mohamad Bin Sabu, Non-executive Director*  
*Y Bhg Dato' Chew Kong Seng, Independent Non-executive Director*  
*Y Bhg Dato' Syed Mohamad Bin Syed Murtaza, Independent Non-executive Director*  
*Agatha Foo Tet Sin, Independent Non-executive Director*  
*Athi Isvar a/l Athi Nahappan, Independent Non-executive Director*  
*Ahmed bin Chee, Independent Non-executive Director*

To : The Shareholders of **PBA HOLDINGS BHD**

Dear Sir/Madam,

**PART B**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY  
("PROPOSED AMENDMENTS")**

---

**1. INTRODUCTION**

We had on 22 May 2013 announced our intention to seek shareholders' approval on the Proposed Amendments at the forthcoming 13<sup>th</sup> AGM generally to reflect the amendments made to the Listing Requirements and Bursa Securities' Directives, for clarification and enhancement purposes.

The purpose of this Circular is to provide the shareholders with the relevant information and details of the Proposed Amendments and to seek your approval for the special resolution to be tabled at the forthcoming 13<sup>th</sup> AGM of the Company as Special Business.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSED AMENDMENTS BEFORE VOTING ON THE SPECIAL RESOLUTION AT OUR FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED AMENDMENTS**

The Board proposes to amend the Articles of Association of the Company is to conform to the recent enhancements issued by Bursa Securities amending certain provisions of the Listing Requirements, particularly in relation to the following:-

- (a) Appointment of multiple proxies by an exempt authorised nominee
- (b) Cash distributions and dividend reinvestment scheme
- (c) Other amendments for the purpose of clarity and consistency

Details of the Proposed Amendments are set out in Appendix I of this Circular.

## **3. RATIONALE OF THE PROPOSED AMENDMENTS**

The Proposed Amendments are intended to incorporate and reflect the enhancements issued by Bursa Securities amending certain provisions of the Listing Requirements, where relevant, and to comply with other relevant statutory requirements.

## **4. EFFECTS OF THE PROPOSED AMENDMENTS**

The Proposed Amendments will not have any impact on our issued and paid-up share capital, NA per share and EPS of our Group.

## **5. CONDITION TO THE PROPOSED AMENDMENTS**

The Proposed Amendments is subject to your approval at our forthcoming 13<sup>th</sup> AGM in which it is required to be passed by way of a Special Resolution.

## **6. INTERESTS OF THE DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM IN THE PROPOSED AMENDMENTS**

None of the Directors, substantial shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Amendments.

## **7. DIRECTORS' RECOMMENDATIONS**

The Board, having considered all aspects of the Proposed Amendments, is of the opinion that the Proposed Amendments is in the best interest of the Company. Accordingly, the Board **recommends that you vote in favour of the Special Resolution for the Proposed Amendments** to be tabled at forthcoming 13<sup>th</sup> AGM of the Company.

## **8. AGM**

Our AGM, the Notice of which is set out in our Annual Report 2012, will be held at Pinang Ballroom, Traders Hotel, Magazine Road, 10300 Penang on Saturday, 29 June 2013 at 11.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the Special Resolution to give effect to the Proposed Amendments.

If you are unable to attend our AGM in person, you will find a Form of Proxy attached in our Annual Report 2012 which you are urged to complete and deposit at the Registered Office at 32nd Floor, Komtar, 10000 Penang not less than forty-eight (48) hours before the time set for the 13<sup>th</sup> AGM or any adjournment thereof. The lodging of the Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

**9. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix II for further information.

Yours faithfully,  
For and on behalf of the Board of Directors

**Y.A.B. Tuan Lim Guan Eng**  
Non-Executive Chairman

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**DETAILS OF THE PROPOSED AMENDMENTS**

The Articles of Association of the Company are proposed to be amended in the following manner:-

| Existing Article No. | Existing Provision    | New/ Amended Article No. | Proposed Amendments  |   |
|----------------------|-----------------------|--------------------------|--|---|
| 1.(2)                | <i>New definition</i> | 1.(2)                    | "Book Closing Date" means the specified time and date set by the Company for the purpose of determining persons entitled to dividend, interest or new securities, or rights to a priority of application for issues of securities. | Fourth Schedule not to apply and interpretation |
|                      | <i>New definition</i> |                          | "Dividend Reinvestment Scheme" means scheme which enables shareholders to reinvest cash dividend into new share.   |   |
|                      | <i>New definition</i> |                          | "Employee Share Scheme" means collectively a Share Issuance Scheme and a Share Grant Scheme.   |   |
|                      | <i>New definition</i> |                          | "Exempt Authorised Nominee" means an authorised nominee defined under the Depositories Act, which is exempted from compliance with the provision of subsection 25A(1) of the Depositories Act.                                     |   |
|                      | <i>New definition</i> |                          | "Share Grant Scheme" means a scheme involving the grant of the Company's existing shares to employees.   |   |
|                      | <i>New definition</i> |                          | "Share Issuance Scheme" means a scheme involving a new Issuance of shares to the employees.  |   |

| Existing Article No. | Existing Provision  | New/ Amended Article No. | Proposed Amendments   |  |
|----------------------|---|--------------------------|---|--|
| 10                   | Subject to Article 19, every issue of shares or options to employees and/or Directors shall be approved by shareholders in general meeting and such approval shall specifically detail the amount of shares or options to be issued to employees and/or to each Director. Only Executive Directors shall participate in such issue of shares; provided always that Directors not holding office in an executive capacity may so participate in issue of shares pursuant to a public offer or public issue unless shareholders in general meeting have approved the specific allotment to be made to such Directors subject always to the provisions of the Listing Requirements or such regulations or amendments as may be imposed by regulatory bodies from time to time. | 10                       | Subject to Article 19, every issue of shares or options <b>or Share Issuance Scheme</b> to employees and/or Directors shall be approved by shareholders in general meeting and such approval shall specifically detail the amount of shares or options to be issued to employees and/or to each Director. Only Executive Directors shall participate in such issue of shares or option <b>or Share Issuance Scheme of the Company</b> ; provided always that Directors not holding office in an executive capacity may so participate in issue of shares pursuant to a public offer or public issue unless shareholders in general meeting have approved the specific allotment to be made to such Directors subject always to the provisions of the Listing Requirements or such regulations or amendments as may be imposed by regulatory bodies from time to time. <b>Such Director shall not participate in the deliberation or discussion of his/her own allocation.</b> | Director not to participate in issue of shares to employee |
| 62.                  | The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Board of Directors and of the Auditors, to elect Directors, Auditors and other officers in the place of those retiring by rotation or otherwise, to declare Dividends and to transact any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting shall be deemed Special.   | 62                       | The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Board of Directors and of the Auditors, to elect Directors, Auditors and other officers in the place of those retiring by rotation or otherwise, to declare Dividends, <b>the payment of Directors' fees</b> and to transact any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting shall be deemed Special.  | Business of Annual General Meeting                         |

| Existing Article No. | Existing Provision  | New/ Amended Article No. | Proposed Amendments   |                 |
|----------------------|---|--------------------------|---|-----------------|
| 83.(1)               | <p>Subject to any special rights or restrictions as to voting upon which any shares may be held, on a show of hands, every Member shall be entitled to be present and vote at any general meeting in person or by proxy, or represented by attorney, or by a duly authorised representative and on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present and entitled to vote shall be entitled to one (1) vote only. However, any Member who is a proxy for another Member or any person who is a proxy for more than one (1) Member shall have only one (1) vote and upon a poll every such Member present in person or by proxy, or attorney or by a duly authorised representative shall have one (1) vote for every share held by him. In every notice calling a general meeting of the company, there shall appear with reasonable prominence a statement that a member is entitled to appoint to 2 or more proxies to attend and vote in his place, that a proxy may but need not be a member and the provisions of Section 149 (1) (a), (b) and (c) of the Act shall not apply to the Company. If a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.</p> |                          | <p>Subject to any special rights or restrictions as to voting upon which any shares may be held, on a show of hands, every Member shall be entitled to be present and vote at any general meeting in person or by proxy, or represented by attorney, or by a duly authorised representative and on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present and entitled to vote shall be entitled to one (1) vote only. However, any Member who is a proxy for another Member or any person who is a proxy for more than one (1) Member shall have only one (1) vote and upon a poll every such Member present in person or by proxy, or attorney or by a duly authorised representative shall have one (1) vote for every share held by him. In every notice calling a general meeting of the company, there shall appear with reasonable prominence a statement that a member is entitled to appoint <b>two (2)</b> or more proxies to attend and vote in his place <b>at a meeting of the Company, or at a meeting of any class of members of the Company and</b> that a proxy may but need not be a member and the provisions of Section 149 (1) (a), (b) and (c) of the Act shall not apply to the Company. <b>There shall be no restriction as to the qualification of the proxy.</b> If a member appoints <b>two (2) or more</b> proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.</p> | Vote of Members |

| <b>Existing Article No.</b> | <b>Existing Provision</b>  | <b>New/ Amended Article No.</b> | <b>Proposed Amendments</b>   |   |
|-----------------------------|--|---------------------------------|--|---|
| 86.                         | <p>The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarially certified copy of the power or authority, shall be deposited at the office or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted. A member is not precluded from attending the meeting in person after lodging the instrument of proxy; however, such attendance shall automatically revoke the authority granted to the proxy.</p> | 86                              | <p>The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarially certified copy of the power or authority, shall be deposited at the office or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted. A member is not precluded from attending the meeting in person after lodging the instrument of proxy; however, such attendance shall automatically revoke the authority granted to the proxy.</p> | Instrument appointing proxy to be deposited |

| Existing Article No. | Existing Provision  | New/ Amended Article No. | Proposed Amendments  |  |
|----------------------|---|--------------------------|--|--|
|                      | <p>A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1) (a), (b) and (c) of the Act shall not apply to the Company. In the case where a Member is an Authorised Nominee as defined under the Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.</p> |                          | <p>A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1) (a), (b) and (c) of the Act shall not apply to the Company. In the case where a Member is an <b>Exempt</b> Authorised Nominee <del>as defined under the Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account</del> <b>which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account")</b>, there is no limit to the number of proxies which the <b>Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.</b></p> <p><b>Where an Exempt Authorised Nominee appoints more than one proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of the shareholding to be represented by each proxy.</b></p> |  |
| 123                  | <p>A resolution in writing signed or approved by letter or telegram by all the Directors for the time being, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present then such resolution must also be signed by such alternate.</p>  |                          | <p>A resolution in writing signed or approved by letter or telegram <b>or other forms of electronic communication</b> by all the Directors for the time being, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present then such resolution must also be signed by such alternate.</p>   |  |

| Existing Article No. | Existing Provision  | New/ Amended Article No. | Proposed Amendments   |                                    |
|----------------------|---|--------------------------|---|------------------------------------|
|                      | All such resolutions shall be described as "Directors' Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book and submitted for notation at a meeting of the Directors next following the receipt thereof by him. |                          | All such resolutions shall be described as "Directors' <b>Circular</b> Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book and submitted for notation at a meeting of the Directors next following the receipt thereof by him. <b>Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.</b> |                                    |
|                      | <b><i>New provision</i></b>   | <b>156A</b>              | <b>Subject to the approval being obtained from the members of the Company and the Listing Requirements, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines there under or issued by the Exchange and any other relevant authorities in respect thereof.</b>   | Dividend Reinvestment Scheme       |
| 190                  | For the purpose of these Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Securities including any amendment to the Listing Requirements that may be made from time to time.   |                          | For the purpose of these Articles, unless the context otherwise requires, "Listing Requirements" means the <b>Main Market</b> Listing Requirements <b>of Bursa Malaysia Securities Berhad</b> including any amendment to the Listing Requirements that may be made from time to time.   | Effect of the Listing Requirements |

[End of Appendix I]

## **FURTHER INFORMATION**

### **1.0 DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy and correctness of the information contained in this Circular and confirm that, after having made all reasonable enquiries, to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading.

### **2.0 MATERIAL LITIGATION**

As at the date of this Circular, the Group is not engaged in any material litigation, claims or arbitrations either as plaintiff or defendant and our Directors do not have any knowledge of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of the Group.

### **3.0 MATERIAL CONTRACTS**

As at the date of this Circular, neither the Company nor any of its subsidiary companies have entered into any contract which are or may be material (not being contracts entered into in the ordinary course of business of the Group) within the past two (2) years preceding the date of this Circular.

### **4.0 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection during normal working hours on weekdays (except public holidays) at the Registered Office of the Company at 32<sup>nd</sup> Floor, Komtar, 10000 Penang up to and including the date of the 13<sup>th</sup> AGM:-

- (i) The Memorandum and Articles of Association of PBAHB; and
- (ii) The Audited Financial Statements of PBAHB for the past two (2) financial year and period ended 31 December 2011 and 31 December 2012 respectively; and
- (iii) The unaudited quarterly financial results for the period ended 31 March 2013.

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