

30 October 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF
PUBLIC FINANCIAL HOLDINGS LIMITED
BY PUBLIC BANK BERHAD
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA
(AS AMENDED FROM TIME TO TIME)**

AND

**(2) PROPOSED WITHDRAWAL OF LISTING OF SHARES OF
PUBLIC FINANCIAL HOLDINGS LIMITED**

INTRODUCTION

On 19 August 2026, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act.

If the Proposal is approved and implemented:

- a) all Scheme Shares held by the Scheme Shareholders on the Scheme Record Date will be cancelled as a result of the Scheme on the Effective Date, in consideration for the payment of the Cancellation Price of HK\$2.50 in cash by the Offeror for each Scheme Share cancelled;
- b) contemporaneously with the cancellation of the Scheme Shares, such number of new Shares as is equal to the number of Scheme Shares cancelled will be issued to the Offeror, credited as fully paid, such that the share capital of the Company will be maintained and the Company will become wholly-owned by the Offeror; and
- c) the listing of Shares on the Stock Exchange will be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

The purpose of this Scheme Document is to provide you with further details of the Proposal and the Scheme and to give you notice of the Court Meeting and the SGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Financial Adviser set out on pages 31 to 70 of this Scheme Document; (ii) the Explanatory Statement set out on pages 71 to 97 of this Scheme Document; and (iii) the terms of the Scheme set out on pages 125 to 132 of this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme

Subject to the Conditions described in the section headed “3. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement on pages 75 to 78 in this Scheme Document being fulfilled or (if capable of being waived) waived, the proposed privatisation of the Company will be implemented by way of the Scheme between the Company and the Scheme Shareholders.

Cancellation Price

The Cancellation Price of HK\$2.50 per Scheme Share represents:

- (a) a premium of approximately 11.11% over the closing price of HK\$2.25 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 61.29% over the closing price of HK\$1.55 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (c) a premium of approximately 78.57% over the average closing price of approximately HK\$1.40 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 81.16% over the average closing price of approximately HK\$1.38 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 73.61% over the average closing price of approximately HK\$1.44 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- (f) a premium of approximately 83.82% over the average closing price of approximately HK\$1.36 per Share based on the daily closing prices as quoted on the Stock Exchange for the 360 trading days up to and including the Last Trading Day;
- (g) a discount of approximately 64.64% to the audited consolidated net asset value of the Group of approximately HK\$7.07 per Share as at 31 December 2025, calculated based on the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$7,757,041,000 as at 31 December 2025 divided by the total number of 1,097,917,618 Shares in issue as at the Latest Practicable Date;
- (h) a discount of approximately 52.65% to the audited consolidated net tangible asset value of the Group of approximately HK\$5.28 per Share as at 31 December 2025, calculated based on the audited consolidated net tangible asset value of the Group attributable to the Shareholders (being the net asset value of the Group attributable to Shareholders as deducted by goodwill and intangible assets) of approximately HK\$5,792,406,000 as at 31 December 2025 divided by the total number of 1,097,917,618 Shares in issue as at the Latest Practicable Date;
- (i) a discount of approximately 64.69% to the unaudited consolidated net asset value of the Group of approximately HK\$7.08 per Share as at 30 June 2026, calculated based on the unaudited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$7,775,423,000 as at 30 June 2026 divided by the total number of 1,097,917,618 Shares in issue as at the Latest Practicable Date; and

- (j) a discount of approximately 52.74% to the unaudited consolidated net tangible asset value of the Group of approximately HK\$5.29 per Share as at 30 June 2026, calculated based on the unaudited consolidated net tangible asset value of the Group attributable to the Shareholders (being the net asset value of the Group attributable to the Shareholders as deducted by goodwill and intangible assets) of approximately HK\$5,810,788,000 as at 30 June 2026 divided by the total number of 1,097,917,618 Shares in issue as at the Latest Practicable Date.

Shareholders should note that, on 16 October 2026, the Company published the Profit Warning Announcement, in which it was stated that: (i) the Group had conducted an impairment assessment on goodwill with carrying amount of approximately HK\$1,964 million as at 31 December 2025 and expected to make a full impairment on the carrying amount of the goodwill; and (ii) following the impairment made on goodwill, the consolidated asset value and net asset value would be both reduced by approximately HK\$1,964 million or HK\$1.8 per Share, the details of which are set out in the section headed “4. *Material Changes*” in Appendix I to this Scheme Document. The full text of the Profit Warning Announcement is reproduced in Appendix V to this Scheme Document. The comparison of value between the Cancellation Price and (i) the audited consolidated net tangible asset value per Share of the Group as at 31 December 2025 and (ii) the unaudited consolidated net tangible asset value per Share of the Group as at 30 June 2026, each as deducted by goodwill and intangible assets, has been set out in paragraphs (h) and (j) above respectively.

The Profit Warning Announcement constitutes a “profit forecast” under Rule 10 of the Takeovers Code. In accordance with Rule 10.4 of and Practice Note 2 to the Takeovers Code, it is required to be reported on by Ernst & Young, the Company’s auditor, and the Independent Financial Adviser. Please refer to the reports issued by Ernst & Young and the Independent Financial Adviser set out in Appendix III and Appendix IV to this Scheme Document, respectively.

Basis for determining the Cancellation Price

The Cancellation Price of HK\$2.50 per Scheme Share was determined on a commercial basis after taking into account (i) the prevailing and historical market prices and trading liquidity of the Shares; and (ii) the pricing premia in recent privatisation transactions involving companies listed on the Stock Exchange. For further details of the basis of determining the Cancellation Price, please refer to the section headed “2. *Terms of the Proposal*” in the Explanatory Statement in this Scheme Document.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

If, after the Latest Practicable Date, any dividend, other distribution and/or other return of capital is announced, made, declared or paid in respect of the Shares, the Offeror will reduce the Cancellation Price by all or any part of the gross amount or value of such dividend, distribution and/or return of capital (as the case may be) after consultation with the Executive, in which case any reference to the Cancellation Price in this Scheme Document and/or any other announcement or document in relation to the Scheme will be deemed to be a reference to the Cancellation Price as so reduced. As at the Latest Practicable Date, (i) the Company had not declared any dividend, distribution and/or other return of capital which remained unpaid; and (ii) the Company did not intend to announce, declare or pay any dividend, distribution or other return of capital on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses.

Highest and lowest closing prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.265 per Share on 16 October 2026 and 20 October 2026, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.301 per Share on 18 June 2026.

CONFIRMATION OF FINANCIAL RESOURCES

As at the Latest Practicable Date, (i) the total issued share capital of the Company comprised 1,097,917,618 Shares; and (ii) there were 293,899,698 Scheme Shares in issue, representing approximately 26.77% of the issued share capital of the Company as at the Latest Practicable Date.

At the Cancellation Price of HK\$2.50 per Scheme Share, the Proposal values the entire issued share capital of the Company at approximately HK\$2,744,794,045. Assuming that no new Shares are issued on or before the Scheme Record Date and on the basis of the Cancellation Price of HK\$2.50 per Scheme Share, the aggregate cash consideration payable by the Offeror to implement the Proposal in full in accordance with its terms is HK\$734,749,245.

The Offeror intends to finance the aggregate cash consideration payable to implement the Proposal with its internal cash resources. Quam Capital, the Hong Kong financial adviser to the Offeror in relation to the Proposal, is satisfied that sufficient financial resources are available to the Offeror to satisfy in full its payment obligations in respect of the cash consideration payable under the Proposal in accordance with its terms.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all Scheme Shareholders upon the fulfilment or (if capable of being waived) waiver of the Conditions set out in the section headed “3. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement on pages 75 to 78 in this Scheme Document.

All of the Conditions will have to be fulfilled or (if capable of being waived) waived on or before the Long Stop Date, otherwise the Scheme will not become binding or effective and will lapse subject to the requirements of the Takeovers Code.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or (if capable of being waived) waived.

WARNING: Shareholders and potential investors of the Company should be aware that the implementation of the Proposal is subject to all of the Conditions being fulfilled or (if capable of being waived) waived on or before the Long Stop Date, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PROPOSAL

Your attention is drawn to the section headed “5. *Shareholding Structure of the Company and Effect of the Proposal*” in the Explanatory Statement set out on pages 79 to 81 in this Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “8. *Reasons for and Benefits of the Proposal*” in the Explanatory Statement set out on pages 84 to 87 in this Scheme Document.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

You are urged to read carefully the section headed “9. *Intention of the Offeror with regard to the Group*” in the Explanatory Statement set out on page 87 in this Scheme Document.

The Board has noted the intention of the Offeror as set out in the section headed “9. *Intention of the Offeror with regard to the Group*” in the Explanatory Statement in this Scheme Document.

INDEPENDENT FINANCIAL ADVISER

The Board has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Disinterested Scheme Shareholders in connection with the Proposal and the Scheme.

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, an independent board committee, being all Non-Executive Directors and Independent Non-Executive Directors who have no direct or indirect interest in the Proposal, is required to be established to make recommendations to the Disinterested Scheme Shareholders as to: (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of or against the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the SGM, after taking into account the advice and recommendations of the Independent Financial Adviser.

As (i) each of Mr. Lai Wan (being a Non-Executive Director) and Mr. Lim Chao Li (being an Independent Non-Executive Director) is also a director of the Offeror and holds certain shares in the Offeror; (ii) Mr. Quah Poh Keat (being a Non-Executive Director) is also a director of certain subsidiaries of the Offeror and one of the joint executors of the estate of the late Tan Sri Dato’ Sri Dr. Teh Hong Piow, which had direct and indirect interests of approximately 20.73% in the issued share capital of the Offeror as at the Latest Practicable Date, and holds certain shares in the Offeror; (iii) Mr. Lee Huat Oon (being a Non-Executive Director) holds certain shares in the Offeror; (iv) Mr. Lee Chin Guan (being an Independent Non-Executive Director) is also a director of certain subsidiaries of the Offeror and holds certain shares in the Offeror; and (v) Ms. Phe Kheng Peng (being an Independent Non-Executive Director) is also a director of a subsidiary of the Offeror and holds certain shares in the Offeror, each of Mr. Lai Wan, Mr. Quah Poh Keat, Mr. Lee Huat Oon, Mr. Lee Chin Guan, Mr. Lim Chao Li and Ms. Phe Kheng Peng (being all the Non-Executive Directors and Independent Non-Executive Directors) is regarded as being interested in the Proposal. Accordingly, no independent board committee will be formed for the purpose of the Proposal.

The full text of the letter from the Independent Financial Adviser is set out on pages 31 to 70 in this Scheme Document.

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “*Actions to be Taken*” in this Scheme Document.

COURT MEETING AND SGM

For the purpose of exercising your right to vote at the Court Meeting and/or the SGM, you are requested to read carefully the section headed “12. Court Meeting and SGM” in the Explanatory Statement on pages 88 to 90 in this Scheme Document, the section headed “Actions to be Taken” in this Scheme Document, and the notices of the Court Meeting and the SGM on pages 133 to 135 and pages 136 to 138, respectively, in this Scheme Document.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Offeror does not intend to retain the listing of the Company on the Stock Exchange subject to the Scheme becoming effective. The Company will make an application to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from 4:00 p.m. on 9 December 2026, subject to the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of listing of the Shares on the Stock Exchange will become effective.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code (including Note 2 to Rule 30.1), the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or (if capable of being waived) waived on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn; and no Scheme Shares will be cancelled, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules.

If the Scheme is not approved or the Proposal otherwise lapses, pursuant to the Takeovers Code, neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

OVERSEAS HOLDERS OF THE SCHEME SHARES

Your attention is drawn to the section headed “19. *Overseas Holders of the Scheme Shares*” in the Explanatory Statement in this Scheme Document.

TAXATION ADVICE

Your attention is drawn to the section headed “20. *Taxation Advice*” in the Explanatory Statement in this Scheme Document.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “21. *Registration and Payment*” in the Explanatory Statement in this Scheme Document.

RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme in its letter as set out in this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal and the Scheme.

FURTHER INFORMATION

You are urged to read carefully:

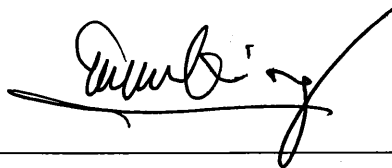
- (a) the letter from the Independent Financial Adviser to the Disinterested Scheme Shareholders set out in this Scheme Document;
- (b) the Explanatory Statement set out in this Scheme Document;
- (c) the appendices to this Scheme Document, including the Scheme set out in this Scheme Document;
- (d) the notice of Court Meeting set out in this Scheme Document; and
- (e) the notice of SGM set out in this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the SGM are enclosed with this Scheme Document.

Yours faithfully,

By Order of the Board

PUBLIC FINANCIAL HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read 'Chong Yam Kiang', is written over a horizontal line.

Mr. Chong Yam Kiang

Director