

DBS Group Holdings Ltd
(Incorporated in the Republic of Singapore)
Co. Reg. No.: 199901152M

ANNOUNCEMENT

PROPOSED BONUS ISSUE

1. Introduction

The Board of Directors of DBS Group Holdings Ltd (“**DBSH**”) wishes to announce that DBSH is proposing to undertake a bonus issue of new ordinary shares in the capital of DBSH (collectively, “**Bonus Shares**” and each, a “**Bonus Share**”) on the basis of one (1) Bonus Share to be credited as fully paid for every 10 existing ordinary shares in the capital of DBSH (“**Shares**”) (including treasury shares) held as at a date and time (the “**Record Date**”) to be determined by the Directors for the purpose of determining the entitlements of shareholders (the “**Shareholders**”) to the Bonus Shares, fractional entitlements to be disregarded (the “**Proposed Bonus Issue**”).

2. Terms

- 2.1 As at the date of this announcement, DBSH has an issued and paid-up share capital comprising 2,587,617,625 Shares, including 8,475,490 treasury shares. Purely for illustration purposes, assuming there is no change in the number of issued Shares from the date of this announcement to the Record Date, up to 258,761,762 Bonus Shares will be issued pursuant to the Proposed Bonus Issue. The actual number of Bonus Shares to be issued by DBSH will depend on the total number of issued Shares as at the Record Date.
- 2.2 The Bonus Shares will be issued pursuant to a share issue mandate to be approved by Shareholders at the forthcoming 25th annual general meeting of DBSH (the “**General Mandate**”), which will authorise the Directors to, *inter alia*, allot and issue new Shares, including by way of bonus issue, on a *pro rata* basis to existing Shareholders, aggregating up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of the resolution approving the General Mandate.
- 2.3 As at the date of this announcement, DBSH has 2,579,142,135 Shares (excluding treasury shares and subsidiary holdings). Accordingly, assuming that no further Shares are issued, or purchased or acquired by DBSH to be held as treasury shares, and that no further treasury shares are sold or transferred, prior to the forthcoming annual general meeting, the maximum number of Shares that DBSH may allot and issue to existing Shareholders on a *pro rata* basis under the General Mandate is 1,289,571,067 Shares. The number of Bonus Shares proposed to be issued will fall within the maximum number authorised by the General Mandate.

2.4 The Bonus Shares will be allotted and issued as fully paid, at nil consideration and without capitalisation of DBSH's reserves. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares and with each other, except that the Bonus Shares will not be entitled to such dividends, rights, allotments and other distributions the record date of which falls before the date of allotment and issuance of such Bonus Shares. For avoidance of doubt, the Bonus Shares when allotted and issued, shall not be entitled to the final cash dividend of SGD0.54 per Share for the year ended 31 December 2023, announced by DBSH on 7 February 2024.

2.5 The Bonus Shares will be allotted and issued to Shareholders whose names appear in the register of members of DBSH or who have Shares entered against their names in the depository register as at the Record Date on the basis of the number of such Shares registered in their names or standing to the credit of their securities accounts as at the Record Date. Notice of the Record Date will be given at a later date, after the necessary approvals for the Proposed Bonus Issue have been obtained.

3. Rationale

3.1 DBSH is undertaking the Proposed Bonus Issue to step up capital returns to Shareholders. The Bonus Shares will qualify for dividends starting with the first-quarter 2024 interim dividend. Barring unforeseen circumstances, the annualised ordinary dividend going forward will be SGD2.16 per Share over the enlarged share base, which represents a 24% increase from the SGD1.92 per Share for financial year 2023. The stepped-up capital returns reflect DBSH's strong capital position and are in line with the policy of paying sustainable dividends that rise progressively with earnings.

4. Approvals

4.1 The Proposed Bonus Issue is subject to, *inter alia*, the (a) receipt of the in-principle approval of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Bonus Shares on the Official List of the Main Board of the SGX-ST and (b) Shareholders' approval of the General Mandate at the forthcoming annual general meeting of DBSH.

4.2 An application will be made to the SGX-ST for the listing of and quotation for the Bonus Shares on the SGX-ST.

5. Adjustments to Share Awards

DBSH will make necessary adjustments with respect to outstanding share awards granted under the DBSH Share Plan (including the California sub-plan to the DBSH Share Plan) in accordance with its rules, after completion of the Proposed Bonus Issue.

6. Compliance with Rule 838 of the Listing Manual

6.1 Pursuant to Rule 838 of the Listing Manual of the SGX-ST (the "Listing Manual"), an issuer must satisfy the SGX-ST that the daily weighted average price of its shares, adjusted for the bonus issue, will not be less than SGD0.50. The issuer should compute the adjusted price based on the proposed bonus issue ratio and the issuer's lowest daily weighted share price of the shares for a month preceding the issuer's proposed bonus issue application.

- 6.2 Purely for illustration purposes, assuming that the application to the SGX-ST will be made by DBSH on 7 February 2024 (being the date of this announcement), the lowest daily weighted average price of the Shares in the month preceding 7 February 2024 would be SGD31.69 and accordingly, the theoretical ex-bonus price (“**TEBP**”) would be calculated as follows:

$$\begin{aligned}\text{TEBP} &= \frac{\text{SGD}31.69}{11} \times 10 \\ &= \text{SGD}28.81\end{aligned}$$

- 6.3 Accordingly, the TEBP at SGD28.81 will not be less than SGD0.50.
- 6.4 DBSH further confirms that it has no reason to believe that the TEBP is likely to fall below SGD0.50 for the month preceding the date of the application for the listing and quotation of the Bonus Shares on the Official List of the SGX-ST.

7. **Caution in Trading**

Shareholders and potential investors of DBSH should note that the Proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by DBSH, and are therefore advised to exercise caution when dealing in the Shares. When in doubt, Shareholders and potential investors should seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Marc Tan
Group Secretary

7 February 2024