



OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Incorporated in Singapore)

Company Registration Number: 193200032W

**LETTER TO SHAREHOLDERS DATED 5 APRIL 2024 IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

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Letter to Shareholders

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Letter to Shareholders

Oversea-Chinese Banking Corporation Limited
(Incorporated in Singapore)
Company Registration Number: 193200032W

Directors:

Andrew Lee Kok Keng (*Chairman, Independent Director*)
Chong Chuan Neo (*Independent Director*)
Chua Kim Chiu (*Independent Director*)
Andrew Khoo Cheng Hoe (*Independent Director*)
Lee Tih Shih (*Non-Executive and Non-Independent Director*)
Christina Hon Kwee Fong (Christina Ong) (*Independent Director*)
Seck Wai Kwong (*Independent Director*)
Pramukti Surjaudaja (*Non-Executive and Non-Independent Director*)
Tan Yen Yen (*Independent Director*)
Helen Wong Pik Kuen (*Group CEO, Executive and Non-Independent Director*)

Registered Office:

63 Chulia Street #10-00
OCBC Centre East
Singapore 049514

5 April 2024

To: The Shareholders of
Oversea-Chinese Banking Corporation Limited (**OCBC** or the **Bank**)

Dear Sir/Madam

1. Introduction

1.1 **Background.** We refer to:

- (a) the Notice of the Eighty-Seventh Annual General Meeting (**AGM**) of the Bank dated 5 April 2024 (the **Notice**), convening the Eighty-Seventh AGM of the Bank to be held on 30 April 2024 (the **2024 AGM**); and
- (b) Ordinary Resolution 10 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 2.1 below), as proposed in the Notice.

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Bank (**Shareholders**) with information relating to Ordinary Resolution 10 proposed in the Notice (the **Proposal**).

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the **SGX-ST**) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Legal Adviser.** Allen & Gledhill LLP is the legal adviser to the Bank in relation to the Proposal.

1.5 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. The Proposed Renewal of the Share Purchase Mandate

2.1 **Background.** Shareholders had approved the renewal of a mandate (the **Share Purchase Mandate**) to enable the Bank to purchase or otherwise acquire its issued ordinary shares (**Ordinary Shares**) at the AGM of the Bank held on 25 April 2023 (the **2023 AGM**). The authority and limitations on the Share Purchase Mandate were set out in the Letter to Shareholders dated 31 March 2023 (the **2023 Letter**) and Ordinary Resolution 10 set out in the Notice of the 2023 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 10 at the 2023 AGM and will expire on the date of the forthcoming 2024 AGM to be held on 30 April 2024. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2024 AGM.

2.2 **Rationale for the Share Purchase Mandate.** The Share Purchase Mandate will accord OCBC the opportunity and flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. The rationale for the Bank to undertake the purchase or acquisition of its Ordinary Shares is as follows:

- (a) the Share Purchase Mandate will give OCBC the flexibility to adjust its capital structure. With a Share Purchase Mandate, the Bank could achieve a more efficient capital mix to lower its cost of equity and improve return on equity (**ROE**);
- (b) the Share Purchase Mandate will provide the Bank with greater flexibility in managing its surplus capital. To the extent that the Bank has surplus capital and funds which are in excess of its requirements, the Share Purchase Mandate will facilitate the return of surplus cash in an expedient and cost-efficient manner; and
- (c) the Bank will have the flexibility to purchase or acquire Ordinary Shares for the purposes of meeting delivery obligations pursuant to its employee share schemes.

The purchase or acquisition of Ordinary Shares will only be undertaken if it can benefit the Bank and Shareholders. No purchase or acquisition of Ordinary Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy positions of the Bank and its subsidiaries (the **Group**) and the Bank and/or the financial condition of the Group and/or affect the status of the Bank as a public limited company listed on the SGX-ST.

2.3 **Authority and Limitations on the Share Purchase Mandate.** The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2024 AGM, are substantially the same as were previously approved by Shareholders at the 2023 AGM, and are summarised below:

2.3.1 **Maximum Number of Ordinary Shares**

The total number of Ordinary Shares which may be purchased or acquired by the Bank pursuant to the Share Purchase Mandate is limited to that number of Ordinary Shares representing not more than 5% of the issued Ordinary Shares of the Bank as at the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved. Treasury shares and subsidiary holdings (as defined in the listing manual of the SGX-ST (the **Listing Manual**))⁽¹⁾ will be disregarded in the computation of the 5% limit.

As at 8 March 2024 (the **Latest Practicable Date**), the Bank had 19,913,569 treasury shares and no subsidiary holdings.

Purely for illustrative purposes, on the basis of 4,514,890,821 Ordinary Shares in issue as at the Latest Practicable Date, and disregarding 19,913,569 Ordinary Shares held in treasury as at the Latest Practicable Date, and assuming that on or prior to the 2024 AGM:

- (a) no further Ordinary Shares are issued pursuant to the exercise of exercisable options to acquire new Ordinary Shares granted pursuant to the OCBC Share Option Scheme 2001 (the **OCBC ESOS**);
- (b) no further Ordinary Shares are issued pursuant to the acquisition of Ordinary Shares under the OCBC Employee Share Purchase Plan (the **OCBC ESPP**);
- (c) no further Ordinary Shares are issued pursuant to the OCBC Deferred Share Plan 2021 (the **OCBC DSP 2021**);
- (d) no further Ordinary Shares are purchased or acquired by the Bank and no Ordinary Shares purchased or acquired by the Bank are held as treasury shares; and
- (e) no Ordinary Shares are held as subsidiary holdings,

not more than 224,748,862 Ordinary Shares (representing 5% of the Ordinary Shares in issue (disregarding the Ordinary Shares held in treasury) as at that date) may be purchased or acquired by the Bank pursuant to the proposed Share Purchase Mandate.

⁽¹⁾ "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

2.3.2 **Duration of Authority**

Purchases or acquisitions of Ordinary Shares may be made, at any time and from time to time, on and from the date of the 2024 AGM, at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Bank is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

2.3.3 **Manner of Purchases or Acquisitions of Ordinary Shares**

Purchases or acquisitions of Ordinary Shares may be made by way of:

- (a) on-market purchases (**Market Purchases**) effected on the SGX-ST, or on any other stock exchange on which the Ordinary Shares may for the time being be listed or quoted, through one or more duly licensed dealers appointed by the Bank for the purpose; and/or
- (b) off-market purchases (**Off-Market Purchases**) effected otherwise than on a stock exchange, in accordance with an equal access scheme.

The Directors of the Bank (the **Directors**) may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act 1967 (the **Companies Act**), as they consider fit in the interests of the Bank in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Ordinary Shares shall be made to every person who holds Ordinary Shares to purchase or acquire the same percentage of their Ordinary Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Ordinary Shares with different accrued dividend entitlements, and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Ordinary Shares.

If the Bank wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) terms and conditions of the offer;
- (II) period and procedures for acceptances; and
- (III) information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.3.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for an Ordinary Share will be determined by the Directors. The maximum price (**Maximum Price**) to be paid for the Ordinary Shares as determined by the Directors must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price of the Ordinary Shares, excluding related expenses of the purchase or acquisition.

For the above purposes:

Average Closing Price means the average of the last dealt prices of an Ordinary Share for the five consecutive market days on which the Ordinary Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Ordinary Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Bank or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Bank or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

date of the making of the offer means the date on which the Bank announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Ordinary Shares.** The Ordinary Shares purchased or acquired by the Bank shall be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Ordinary Shares will expire on cancellation, unless such Ordinary Shares are held by the Bank as treasury shares. Accordingly, the total number of issued Ordinary Shares will be diminished by the number of Ordinary Shares purchased or acquired by the Bank, which are cancelled and are not held as treasury shares.

2.5 **Treasury Shares.** Ordinary Shares purchased or acquired by the Bank may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 **Maximum Holdings**

The number of Ordinary Shares held as treasury shares⁽²⁾ cannot at any time exceed 10% of the total number of issued Ordinary Shares.

2.5.2 **Voting and Other Rights**

The Bank cannot exercise any right in respect of treasury shares. In particular, the Bank cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Bank shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Bank's assets may be made, to the Bank in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

⁽²⁾ For these purposes, "treasury shares" shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act 1967.

2.5.3 **Disposal and Cancellation**

Where Ordinary Shares purchased or acquired by the Bank are held as treasury shares, the Bank may at any time but subject always to the Singapore Code on Take-overs and Mergers (the **Take-over Code**):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 **Source of Funds.** The Bank may purchase or acquire its Ordinary Shares out of capital, as well as from its distributable profits.

The Bank intends to use its internal sources of funds to finance its purchase or acquisition of Ordinary Shares. The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such extent that the liquidity and capital of the Group would be materially adversely affected.

2.7 **Financial Effects.** The financial effects on the Group and the Bank arising from purchases or acquisitions of Ordinary Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the Ordinary Shares are purchased or acquired out of capital or profits of the Bank, the number of Ordinary Shares purchased or acquired, the price at which such Ordinary Shares were purchased or acquired and whether the Ordinary Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Bank based on the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023 are based on the assumptions set out below.

2.7.1 **Purchase or Acquisition out of Capital or Profits**

Under the Companies Act, purchases or acquisitions of Ordinary Shares by the Bank may be made out of the Bank's profits and/or capital so long as the Bank is solvent.

Where the consideration paid by the Bank for the purchase or acquisition of Ordinary Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Bank.

Where the consideration paid by the Bank for the purchase or acquisition of Ordinary Shares is made out of capital, the amount available for the distribution of cash dividends by the Bank will not be reduced.

2.7.2 **Maximum Price Paid for Ordinary Shares Purchased or Acquired**

Based on the existing issued Ordinary Shares as at the Latest Practicable Date (and disregarding the Ordinary Shares held in treasury), the purchase by the Bank of 5% of its issued Ordinary Shares will result in the purchase or acquisition of 224,748,862 Ordinary Shares.

In the case of both Market Purchases and Off-Market Purchases by the Bank and assuming that the Bank purchases or acquires the 224,748,862 Ordinary Shares at the Maximum Price of \$13.70 for one Ordinary Share (being the price equivalent to 5% above the Average Closing Price of the Ordinary Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 224,748,862 Ordinary Shares is approximately \$3,079.06 million.

2.7.3 **Whether the Ordinary Shares are Cancelled or Held in Treasury**

The financial effects on the Group and the Bank arising from purchases or acquisitions of Ordinary Shares will also depend on whether the Ordinary Shares purchased or acquired are cancelled or held in treasury.

2.7.4 **Illustrative Financial Effects**

For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

- (a) the Share Purchase Mandate had been effective on 1 January 2023;
- (b) 1,344,037 Ordinary Shares delivered for a total consideration of \$13.00 million pursuant to the exercise of share options granted under the OCBC ESOS between 1 January 2024 and the Latest Practicable Date had been delivered on 1 January 2023 against the transfer of 1,344,037 Ordinary Shares held in treasury;
- (c) 149,282 Ordinary Shares delivered for a total consideration of \$1.80 million pursuant to the acquisition of Ordinary Shares made pursuant to the OCBC ESPP between 1 January 2024 and the Latest Practicable Date had been delivered on 1 January 2023 against the transfer of 149,282 Ordinary Shares held in treasury;
- (d) 900,000 Ordinary Shares were purchased for a total consideration of \$11.77 million between 1 January 2024 and the Latest Practicable Date; and
- (e) the purchase consideration is funded by the Bank from excess funds hitherto deployed in the interbank market with an average effective yield of 3.98% before tax and the tax rate is assumed to be 17%,

the financial effects on the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023 would have been as follows:

Market Purchases or Off-Market Purchases of up to 5% at 105% of the Average Closing Price

(i) Pro-forma financial effects on the Group and the Bank

	GROUP		BANK	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Total Shareholders' Equity (\$ million)	54,173	50,992	38,340	35,159
Ordinary Shareholders' Equity (\$ million)	52,925	49,744	37,092	33,911
Number of Ordinary Shares (million)	4,495	4,270	4,495	4,270
Weighted average number of Ordinary Shares (million)	4,496	4,271	4,496	4,271
Net profit attributable to Shareholders (\$ million) ⁽¹⁾	7,021	6,919	5,260	5,158

Note:

⁽¹⁾ The lower net profit attributable to Shareholders after a share purchase is because the Bank would no longer earn interest on the excess funds used for the purchase of its Ordinary Shares, which, in the above illustration, is accorded an average effective yield of 3.98% per annum before tax of 17%. However, the ROE will increase.

(ii) Pro-forma effects on financial ratios of the Group

	Before Share Purchase	After Share Purchase
Net Asset Value per Ordinary Share (\$)	11.77	11.65
EPS (\$)	1.55	1.60
ROE (%)	13.4	14.1
Common Equity Tier 1 CAR (%) ⁽²⁾	15.9	14.5
Tier 1 CAR (%) ⁽²⁾	16.5	15.0
Total CAR (%) ⁽²⁾	18.1	16.6

Note:

⁽²⁾ The capital adequacy ratios are computed based on the requirements of the Monetary Authority of Singapore's Notice 637 "Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore".

Shareholders should note that the financial effects set out above are based on the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023 and are for illustration only. The results of the Group and the Bank for the financial year ended 31 December 2023 may not be representative of future performance.

Although the Share Purchase Mandate would authorise the Bank to purchase or acquire up to 5% of the issued Ordinary Shares (excluding treasury shares and subsidiary holdings), the Bank may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the issued Ordinary Shares (excluding treasury shares and subsidiary holdings). In addition, the Bank may cancel or hold in treasury all or part of the Ordinary Shares purchased or acquired.

The Bank will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Ordinary Shares) in assessing the relative impact of a share purchase before execution.

2.8 **Listing Status of the Ordinary Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. As at the Latest Practicable Date, approximately 72.3% of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) are held by public Shareholders. Accordingly, the Bank is of the view that there is a sufficient number of Ordinary Shares in issue (excluding Ordinary Shares held in treasury) held by public Shareholders which would permit the Bank to undertake purchases or acquisitions of its Ordinary Shares through Market Purchases up to the full 5% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Ordinary Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

2.9 **Shareholding Limits.** The Banking Act 1970 (the **Banking Act**) provides, *inter alia*, that, on or after 18 July 2001:

- (a) no person shall become a substantial shareholder of a bank incorporated in Singapore without first obtaining the approval of the Minister charged with the responsibility for the Banking Act (the **Minister**);
- (b) no person shall enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of 5% or more of the total votes attached to all voting shares in a bank incorporated in Singapore (the **5% Limit**), without first obtaining the approval of the Minister; and
- (c) no person shall become a 12% controller or a 20% controller of a bank incorporated in Singapore without first obtaining the approval of the Minister.

For the purposes of the Banking Act:

substantial shareholder of a bank incorporated in Singapore means a person who has a substantial shareholding in the bank incorporated in Singapore. A person has a substantial shareholding in a bank incorporated in Singapore if (i) he has an interest or interests in one or more voting shares in the bank incorporated in Singapore; and (ii) the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the bank incorporated in Singapore;

12% controller means a person, not being a 20% controller, who alone or together with his associates, (i) holds at least 12% of the total number of issued shares in the bank incorporated in Singapore; or (ii) is in a position to control voting power of at least 12% in the bank incorporated in Singapore; and

20% controller means a person who, alone or together with his associates, (i) holds at least 20% of the total number of issued shares in the bank incorporated in Singapore; or (ii) is in a position to control voting power of at least 20% in the bank incorporated in Singapore.

The shareholding percentage of a holder of Ordinary Shares (whose Ordinary Shares were not the subject of a share purchase or acquisition by the Bank) in the issued share capital of the Bank immediately following any purchase or acquisition of Ordinary Shares will increase should the Bank cancel the Ordinary Shares purchased or acquired by the Bank.

Similarly, the percentage of voting rights of a holder of Ordinary Shares (whose Ordinary Shares were not the subject of a share purchase or acquisition by the Bank) in the issued share capital of the Bank immediately following any purchase or acquisition of Ordinary Shares will increase should the Bank hold in treasury the Ordinary Shares purchased or acquired by the Bank.

The Bank wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Ordinary Shares by the Bank pursuant to the Share Purchase Mandate, if the renewal of the Share Purchase Mandate is approved by Shareholders:

A purchase or acquisition of Ordinary Shares by the Bank may inadvertently cause the interest in the Ordinary Shares of any person to reach or exceed the 5% Limit or cause any person to become a substantial shareholder, a 12% controller or a 20% controller.

Shareholders whose shareholdings are close to the limits set out in the Banking Act **are advised to ensure that they are in compliance with the requirements of the Banking Act and take such action as may be necessary, including seeking the prior approval of the Minister** to continue to hold, on such terms as may be imposed by the Minister, such number of Ordinary Shares in excess of any of such limits, as a consequence of a purchase or acquisition of Ordinary Shares by the Bank. Shareholders who are in any doubt as to the action that they should take should consult their professional advisers.

2.10 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Bank of its Ordinary Shares are set out below:

2.10.1 **Obligation to Make a Take-over Offer**

If, as a result of any purchase or acquisition by the Bank of its Ordinary Shares, the proportionate interest in the voting capital of the Bank of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Bank and become obliged to make an offer under Rule 14 of the Take-over Code.

2.10.2 **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which the Shareholders, including the Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Ordinary Shares by the Bank are set out in Appendix 2 of the Take-over Code.

2.10.3 **Effect of Rule 14 and Appendix 2**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Bank purchasing or acquiring its Ordinary Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Bank's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Bank purchasing or acquiring its Ordinary Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Bank's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for the Bank under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Bank of the maximum limit of 5% of its issued Ordinary Shares (excluding treasury shares) as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Ordinary Shares by the Bank should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

- 2.11 **Listing Rules.** Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement must include, *inter alia*, the maximum number of shares authorised for purchase, the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Bank will not undertake any purchase or acquisition of Ordinary Shares pursuant to the proposed Share Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. In particular, the Bank will not purchase or acquire any Ordinary Shares through Market Purchases during the period of one month immediately preceding the announcement of the Bank's half-year and full-year financial statements. The Bank will also not purchase or acquire any Ordinary Shares through Market Purchases during the period of two weeks immediately preceding the announcement of the Bank's voluntary results updates for the first and third quarters of each financial year.

2.12 **Previous Purchases.** As at the Latest Practicable Date, the Bank had purchased or acquired an aggregate of 13,010,000 Ordinary Shares by way of Market Purchases pursuant to the Share Purchase Mandate approved by Shareholders at the 2023 AGM. The highest and lowest price paid was \$13.25 and \$12.11 per Ordinary Share respectively. The total consideration (excluding goods and services tax) paid for all of the purchases was \$163.3 million.

As at the Latest Practicable Date, the Bank had not purchased or acquired any of its Ordinary Shares by way of Off-Market Purchases pursuant to the Share Purchase Mandate approved by Shareholders at the 2023 AGM.

3. Directors' and Substantial Shareholders' Interests

3.1 **Directors' Interests.** The interests of the Directors in the Ordinary Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date, are set out below:

	Number of Ordinary Shares			% of Issued Ordinary Shares ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Andrew Lee Kok Keng	529,953	–	529,953	0.01
Chong Chuan Neo	5,210	–	5,210	nm ⁽²⁾
Chua Kim Chiu	32,663	–	32,663	nm ⁽²⁾
Andrew Khoo Cheng Hoe	18,151	–	18,151	nm ⁽²⁾
Lee Tih Shih	11,662,000	–	11,662,000	0.26
Christina Hon Kwee Fong (Christina Ong)	43,240	–	43,240	nm ⁽²⁾
Seck Wai Kwong	9,386	–	9,386	nm ⁽²⁾
Pramukti Surjaudaja	97,050	–	97,050	nm ⁽²⁾
Tan Yen Yen	18,000	–	18,000	nm ⁽²⁾
Helen Wong Pik Kuen	441,608	–	441,608	0.01

	Number of Ordinary Shares Comprised in Options/Awards Held
Andrew Lee Kok Keng	43,512 ⁽³⁾
Helen Wong Pik Kuen	578,330 ⁽⁴⁾

Notes:

⁽¹⁾ Based on 4,494,977,252 Issued Ordinary Shares as at the Latest Practicable Date (this is based on 4,514,890,821 Ordinary Shares in issue as at the Latest Practicable Date and disregarding 19,913,569 Ordinary Shares held in treasury as at the Latest Practicable Date).

⁽²⁾ "nm" means not meaningful.

⁽³⁾ Comprises options to acquire 43,512 Ordinary Shares granted under the OCBC ESOS.

⁽⁴⁾ Comprises 578,330 unvested Ordinary Shares granted under the OCBC DSP 2021.

3.2 **Substantial Shareholders' Interests.** The interests of the substantial Shareholders in the Ordinary Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

	Number of Ordinary Shares			% of Issued Ordinary Shares ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Lee Foundation	189,310,098 ⁽²⁾	31,835,411 ⁽³⁾	221,145,509	5.13
Selat (Pte) Limited	467,604,264	181,721,294 ⁽⁴⁾	649,325,558	14.44

Notes:

- (1) Based on the total number of issued Ordinary Shares (excluding treasury shares) as at the date of the latest notification given by the relevant substantial shareholder under the Securities and Futures Act 2001 (SFA).
- (2) Does not include Ordinary Shares acquired pursuant to OCBC's Scrip Dividend Scheme in October 2019, October 2020 and June 2021. As the acquisitions did not result in any overall percentage level changes in Lee Foundation's total interest in OCBC, no notification of the changes was required to be given under the SFA.
- (3) Represents Lee Foundation's deemed interest in (a) the 29,222,140 Ordinary Shares held by Lee Pineapple Company (Pte) Limited, and (b) the 2,613,271 Ordinary Shares held by Peninsula Plantations Sendirian Berhad (**Peninsula Plantations**). Lee Foundation has, however, informed the Bank in writing that it has ceased to have a deemed interest in the Ordinary Shares held by Peninsula Plantations following a corporate restructuring exercise but that, as the cessation did not result in an overall percentage level change in Lee Foundation's total interest in OCBC, no notification of the change was required to be given under the SFA.
- (4) Represents Selat (Pte) Limited's deemed interest in the 181,721,294 Ordinary Shares held by Herald Investment Pte Ltd.

4. Directors' Recommendation

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Bank. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 10, being the Ordinary Resolution relating to the renewal of the Share Purchase Mandate to be proposed at the 2024 AGM.

5. Inspection of Documents

The Annual Report of the Bank for the financial year ended 31 December 2023 and the 2023 Letter may be accessed at the URL <https://www.ocbc.com/group/investors/annual-report-and-agm.page>.

6. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposal, and the Bank and its subsidiaries which are relevant to the Proposal, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of the Board of Directors of
OVERSEA-CHINESE BANKING CORPORATION LIMITED

ANDREW LEE KOK KENG
Chairman

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