

## JOHORE TIN BERHAD (“JTB” OR THE “COMPANY”)

- (I) PROPOSED SHARE SPLIT;
- (II) PROPOSED BONUS ISSUE; AND
- (III) PROPOSED AMENDMENT

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

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### 1. INTRODUCTION

On behalf of the Board of Directors of JTB (“**Board**”), RHB Investment Bank Berhad (“**RHB Investment Bank**”) wishes to announce that the Company proposes to undertake the following:-

- (i) proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in JTB (“**Existing Share(s)**”) into two (2) ordinary shares of RM0.50 each in JTB (“**Subdivided Share(s)**” or “**JTB Share(s)**” or “**Share(s)**”) held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date (“**Entitled Shareholders**”) to be determined and announced later (“**Entitlement Date**”) (“**Proposed Share Split**”);
- (ii) proposed bonus issue of up to 77,754,444 new Subdivided Shares (“**Bonus Share(s)**”) to be credited as fully paid-up on the basis of one (1) Bonus Share for every three (3) Subdivided Shares held by the Entitled Shareholders on the Entitlement Date (“**Proposed Bonus Issue**”); and
- (iii) proposed amendment to the Memorandum of Association of JTB to facilitate the implementation of the Proposed Share Split (“**Proposed Amendment**”).

Further details on the Proposals are set out in the ensuing sections of this announcement.

### 2. DETAILS OF THE PROPOSALS

#### 2.1 Proposed Share Split

##### 2.1.1 Details of the Proposed Share Split

The Proposed Share Split entails the subdivision of every one (1) Existing Share into two (2) Subdivided Shares held by the Entitled Shareholders on the Entitlement Date.

As at 13 June 2016, being the latest practicable date prior to this announcement (“**LPD**”), the issued and paid-up share capital of the Company is RM93,305,333 comprising 93,305,333 Existing Shares. Assuming the full exercise of the outstanding 23,326,333 warrants (“**Warrants 2012/2017**”) prior to the Entitlement Date, the issued and paid-up share capital of the Company would increase to RM116,631,666 comprising 116,631,666 Existing Shares and the ensuing Proposed Share Split will result in an enlarged issued and paid-up share capital of RM116,631,666 comprising 233,263,332 Subdivided Shares.

No suspension will be imposed on the trading of the Existing Shares on Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the purpose of implementing the Proposed Share Split.

### **2.1.2 Ranking of the Subdivided Shares**

The Subdivided Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other, save that the Subdivided Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the Subdivided Shares.

### **2.1.3 Listing of and quotation for the Subdivided Shares**

An application will be made to Bursa Securities for the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities.

The Subdivided Shares will be listed and quoted on the Main Market of Bursa Securities concurrently with the Bonus Shares on the next market day following the Entitlement Date. The notice of allotment for the Subdivided Shares will be issued and despatched to the Entitled Shareholders within four (4) market days after the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

As the Subdivided Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”), the Subdivided Shares will be subjected to the SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd. Accordingly, the Subdivided Shares will be credited into the respective Central Depository System accounts of the Entitled Shareholders and no physical share certificate will be issued.

## **2.2 Proposed Bonus Issue**

### **2.2.1 Details of the Proposed Bonus Issue**

The Proposed Bonus Issue will entail an issuance of up to 77,754,444 Bonus Shares to be credited as fully paid-up, on the basis of one (1) Bonus Share for every three (3) Subdivided Shares held by the Entitled Shareholders on the Entitlement Date.

The actual number of Bonus Shares to be issued will depend on the issued and paid-up share capital of the Company after the Proposed Share Split on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient in the best interest of the Company.

The Proposed Bonus Issue will not be implemented on a staggered basis and will be implemented concurrently with the Proposed Share Split. It is the intention of the Board to have the Entitlement Date of the Proposed Share Split and Proposed Bonus Issue on the same date.

## 2.2.2 Capitalisation of reserves

The Proposed Bonus Issue shall be capitalised from the retained earnings and share premium of the Company.

Based on the Company's latest audited financial statements for the financial year ended ("FYE") 31 December 2015 and the latest unaudited financial statements for the three (3)-month financial period ended ("FPE") 31 March 2016, the effects of the Proposed Bonus Issue on the retained earnings and share premium of the Company are set out below based on the following assumptions:-

**Minimum Scenario** : Assuming none of the outstanding Warrants 2012/2017 are exercised prior to the Entitlement Date

**Maximum Scenario** : Assuming all of the outstanding Warrants 2012/2017 are exercised prior to the Entitlement Date

### Minimum Scenario

Company level	Retained earnings (RM'000)	Share premium (RM'000)
<b>Audited as at 31 December 2015</b>	<b>21,849</b>	<b>5,528</b>
<i>Less: Final dividend <sup>(1)</sup></i>	(3,732)	-
<i>Add: Interim dividend income <sup>(2)</sup></i>	10,000	-
<i>Less: Amount to be capitalised for the Proposed Bonus Issue</i>	(25,574)	(5,528)
<i>Less: Estimated expenses for the Proposals</i>	(250)	-
<b>Balance after the Proposed Bonus Issue</b>	<b>2,293</b>	<b>-</b>
<b>Unaudited as at 31 March 2016</b>	<b>21,450</b>	<b>5,528</b>
<i>Less: Final dividend <sup>(1)</sup></i>	(3,732)	-
<i>Add: Interim dividend income <sup>(2)</sup></i>	10,000	-
<i>Less: Amount to be capitalised for the Proposed Bonus Issue</i>	(25,574)	(5,528)
<i>Less: Estimated expenses for the Proposals</i>	(250)	-
<b>Balance after the Proposed Bonus Issue</b>	<b>1,894</b>	<b>-</b>

### Notes:-

- (1) Being the single-tier final dividend of 4.0 sen per Existing Share in respect of the FYE 31 December 2015 amounting to RM3,732,213 to be paid on 29 July 2016.
- (2) Being the interim dividend to be declared by the subsidiaries of JTB in respect of the FYE 31 December 2016 to the Company.

## Maximum Scenario

Company level	Retained earnings (RM'000)	Share premium (RM'000)
<b>Audited as at 31 December 2015</b>	<b>21,849</b>	<b>5,528</b>
Less: Final dividend <sup>(1)</sup>	(3,732)	-
Add: Interim dividend income <sup>(2)</sup>	10,000	-
Add: Assuming full exercise of the outstanding Warrants 2012/2017 <sup>(3)</sup>	-	35,091
Less: Amount to be capitalised for the Proposed Bonus Issue	-	(38,877)
Less: Estimated expenses for the Proposals	(250)	-
<b>Balance after the Proposed Bonus Issue</b>	<b>27,867</b>	<b>1,742</b>
<b>Unaudited as at 31 March 2016</b>	<b>21,450</b>	<b>5,528</b>
Less: Final dividend <sup>(1)</sup>	(3,732)	-
Add: Interim dividend income <sup>(2)</sup>	10,000	-
Add: Assuming full exercise of the outstanding Warrants 2012/2017 <sup>(3)</sup>	-	35,091
Less: Amount to be capitalised for the Proposed Bonus Issue	-	(38,877)
Less: Estimated expenses for the Proposals	(250)	-
<b>Balance after the Proposed Bonus Issue</b>	<b>27,468</b>	<b>1,742</b>

### Notes:-

- (1) Being the single-tier final dividend of 4.0 sen per Existing Share in respect of the FYE 31 December 2015 amounting to RM3,732,213 to be paid on 29 July 2016.
- (2) Being the interim dividend to be declared by the subsidiaries of JTB in respect of the FYE 31 December 2016 to the Company.
- (3) Assuming the exercise of all outstanding Warrants 2012/2017 at the exercise price of RM2.28 per Warrant 2012/2017 and the transfer of warrants reserve into the share premium account.

Based on the latest audited financial statements for the FYE 31 December 2015 and latest unaudited financial statements for the three (3)-month FPE 31 March 2016, the Board confirms that the available reserves of the Company are unimpaired by losses on a consolidated basis and are adequate for the capitalisation of the Proposed Bonus Issue.

Further, pursuant to paragraph 6.30(3) of the Listing Requirements of Bursa Securities, the Board will obtain a confirmation from the external auditors/reporting accountants on the adequacy of reserves for the capitalisation of the Proposed Bonus Issue, which will be disclosed in the circular to shareholders to be issued.

### 2.2.4 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other and the Subdivided Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares.

### 2.2.5 Listing of and quotation for the Bonus Shares

An application will be made to Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities. Upon obtaining all the approvals, the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities concurrently with the Subdivided Shares on the next market day following the Entitlement Date.

### 2.3 Proposed Amendment

The Company proposes to amend the following clause in its Memorandum of Association to facilitate the implementation of the Proposed Share Split:-

Clause	Existing	Proposed
4	The Company's share capital is RM200,000,000 divided into 200,000,000 ordinary shares of RM1.00 each.	The Company's share capital is RM200,000,000 divided into <b>400,000,000</b> ordinary shares of <b>RM0.50</b> each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

## 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

### 3.1 Proposed Share Split

The Proposed Share Split will not have any direct impact on the market capitalisation of the Company. However, the Proposed Share Split will result in an adjustment to the market price of JTB's ordinary shares, making the Subdivided Shares more affordable, thus potentially encouraging more retail participation.

Having considered that JTB has been trading at an average price of RM1.89 with an average daily trading volume of 223,931 shares for the past six (6) months up to the LPD, the Proposed Share Split will increase the marketability and liquidity of the Subdivided Shares on the Main Market of Bursa Securities which will in turn, increase the appeal of JTB Shares to a wider group of public shareholders and investors.

### 3.2 Proposed Bonus Issue

The Proposed Bonus Issue aims to reward the existing shareholders of the Company for their loyalty and continuing support, by enabling them to have a greater participation in the equity of the Company in terms of number of shares held, whilst maintaining their percentage of equity interest.

The Proposed Bonus Issue is expected to increase the Company's capital base to a level which would be more reflective of the current scale of operations and assets employed by JTB and its subsidiaries ("**JTB Group**").

### 3.3 Proposed Amendment

The Proposed Amendment is undertaken to facilitate the implementation of the Proposed Share Split whereby, the authorised share capital of RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each will be amended to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each.

## 4. EFFECTS OF THE PROPOSALS

The Proposed Amendment will not have any effect on the Company's issued and paid-up share capital, net assets ("**NA**") per share and gearing, earnings and earnings per share ("**EPS**"), convertible securities and substantial shareholders' shareholdings.

The pro forma effects of the Proposed Share Split and Proposed Bonus Issue on the Company's issued and paid-up share capital, NA per share and gearing, earnings and EPS, convertible securities and substantial shareholders' shareholdings are based on the Minimum Scenario and Maximum Scenario as illustrated below.

### 4.1 Issued and paid-up share capital

For illustrative purposes, the pro forma effects of the Proposed Share Split and the Proposed Bonus Issue on the issued and paid-up share capital of JTB are as follows:-

	Minimum Scenario			Maximum Scenario		
	Par value (RM)	No. of shares	(RM)	Par value (RM)	No. of shares	(RM)
Issued and paid-up share capital as at the LPD	1.00	93,305,333	93,305,333	1.00	93,305,333	93,305,333
No. of ordinary shares to be issued assuming full exercise of the outstanding Warrants 2012/2017	-	-	-	1.00	23,326,333	23,326,333
	1.00	93,305,333	93,305,333	1.00	116,631,666	116,631,666
Enlarged issued and paid-up share capital after the Proposed Share Split	0.50	186,610,666	93,305,333	0.50	233,263,332	116,631,666
Bonus Shares to be issued pursuant to the Proposed Bonus Issue	0.50	62,203,555	31,101,778	0.50	77,754,444	38,877,222
<b>Enlarged issued and paid-up share capital after the Proposals</b>	<b>0.50</b>	<b>248,814,221</b>	<b>124,407,111</b>	<b>0.50</b>	<b>311,017,776</b>	<b>155,508,888</b>

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## 4.2 NA per Share and gearing

Based on the latest audited consolidated statement of financial position of JTB as at 31 December 2015, the pro forma effects of the Proposed Share Split and Proposed Bonus Issue on the NA per Share and gearing of JTB are as follows:-

### Minimum Scenario

	Audited as at 31 December 2015 (RM'000)	(I) Adjustments for subsequent events (RM'000)	(II) After (I) and the Proposed Share Split (RM'000)	(III) After (II) and the Proposed Bonus Issue (RM'000)
Share capital	93,305	93,305	93,305	124,407
Share premium	5,528	5,528	5,528	<sup>(3)</sup> -
Translation reserve	(602)	(602)	(602)	(602)
Warrants reserve	5,233	5,233	5,233	5,233
Retained earnings	91,415	<sup>(1)</sup> 87,683	<sup>(2)</sup> 87,433	<sup>(3)</sup> 61,859
<b>Shareholders' equity / NA</b>	<b>194,879</b>	<b>191,147</b>	<b>190,897</b>	<b>190,897</b>
Non-controlling interest	(2,473)	(2,473)	(2,473)	(2,473)
<b>Total equity</b>	<b>192,406</b>	<b>188,674</b>	<b>188,424</b>	<b>188,424</b>
No. of ordinary shares in JTB ('000)	93,305	93,305	186,610	248,814
Par value (RM)	1.00	1.00	0.50	0.50
<b>NA per share<sup>(4)</sup> (RM)</b>	<b>2.09</b>	<b>2.05</b>	<b>1.02</b>	<b>0.77</b>
Borrowings (RM'000)	110,192	110,192	110,192	110,192
<b>Gearing (times)<sup>(5)</sup></b>	<b>0.57</b>	<b>0.58</b>	<b>0.58</b>	<b>0.58</b>

### Notes:-

- (1) After adjusting the single-tier final dividend of 4.0 sen per Existing Share amounting to RM3,732,213 in respect of the FYE 31 December 2015 to be paid on 29 July 2016.
- (2) After deducting the estimated expenses of RM250,000 relating to the Proposals.
- (3) After deducting the amount to be capitalised for the Proposed Bonus Issue.
- (4) Computed as shareholders' equity/NA divided by number of ordinary shares in issue.
- (5) Computed as borrowings divided by shareholders' equity/NA.

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## Maximum Scenario

		(I)	(II)	(III)	(IV)
	Audited as at 31 December 2015 (RM'000)	Adjustments for subsequent events (RM'000)	After (I) and the full exercise of the outstanding Warrants 2012/2017 (RM'000)	After (II) the Proposed Share Split (RM'000)	After (III) and the Proposed Bonus Issue (RM'000)
Share capital	93,305	93,305	116,632	116,632	155,509
Share premium	5,528	5,528	<sup>(2)</sup> 40,619	40,619	<sup>(4)</sup> 1,742
Translation reserve	(602)	(602)	(602)	(602)	(602)
Warrants reserve	5,233	5,233	<sup>(2)</sup> -	-	-
Retained earnings	91,415	<sup>(1)</sup> 87,683	87,683	<sup>(3)</sup> 87,433	87,433
<b>Shareholders' equity / NA</b>	<b>194,879</b>	<b>191,147</b>	<b>244,332</b>	<b>244,082</b>	<b>244,082</b>
Non-controlling interest	(2,473)	(2,473)	(2,473)	(2,473)	(2,473)
<b>Total equity</b>	<b>192,406</b>	<b>188,674</b>	<b>241,859</b>	<b>241,609</b>	<b>241,609</b>
No. of ordinary shares in JTB ('000)	93,305	93,305	116,632	233,263	311,018
Par value (RM)	1.00	1.00	1.00	0.50	0.50
<b>NA per share<sup>(5)</sup> (RM)</b>	<b>2.09</b>	<b>2.05</b>	<b>2.09</b>	<b>1.05</b>	<b>0.78</b>
Borrowings (RM'000)	110,192	110,192	110,192	110,192	110,192
<b>Gearing (times)<sup>(6)</sup></b>	<b>0.57</b>	<b>0.58</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>

### Notes:-

- (1) After adjusting the single-tier final dividend of 4.0 sen per Existing Share amounting to RM3,732,213 in respect of the FYE 31 December 2015 to be paid on 29 July 2016.
- (2) Assuming the exercise of all outstanding Warrants 2012/2017 at the exercise price of RM2.28 per Warrant 2012/2017 and the transfer of warrants reserve into the share premium account.
- (3) After deducting the estimated expenses of RM250,000 relating to the Proposals.
- (4) After deducting the amount to be capitalised for the Proposed Bonus Issue.
- (5) Computed as shareholders' equity/NA divided by number of ordinary shares in issue.
- (6) Computed as borrowings divided by shareholders' equity/NA.



#### **4.3 Earnings and EPS**

The Proposed Share Split and Proposed Bonus Issue are not expected to have any material effect on the earnings of JTB Group for FYE 31 December 2016. However, there will be a corresponding dilution in the EPS of JTB Group as a result of the increase in the number of JTB Shares in issue upon the completion of the Proposed Share Split and Proposed Bonus Issue.

#### **4.4 Convertible securities**

Save for 23,326,333 outstanding Warrants 2012/2017, JTB does not have any other existing convertible securities as at the LPD.

The Proposed Share Split and Proposed Bonus Issue will give rise to adjustments to the exercise price and number of Warrants 2012/2017 pursuant to the provisions of the memorandum to the deed poll dated 10 October 2012. Any necessary adjustments arising from the Proposed Share Split and Proposed Bonus Issue in relation to the outstanding Warrants 2012/2017 will only be finalised on the Entitlement Date.

The details of the actual adjustments to the exercise price and number of Warrants 2012/2017 shall be announced at a later date and shall be set out in a notice of adjustments to the holders of Warrants 2012/2017, which shall be despatched within twenty one (21) days of such adjustments.

#### **4.5 Substantial shareholders' shareholdings**

The Proposed Share Split and Proposed Bonus Issue will not have any effect on the percentage shareholdings of the substantial shareholders of JTB save for the proportionate increase in the number of Subdivided Shares.

### **5. APPROVALS REQUIRED**

The Proposals are conditional upon the following approvals being obtained:-

- (a) Bursa Securities for the following:-
  - (i) the Proposed Share Split; and
  - (ii) the listing of and quotation for the Subdivided Shares, Bonus Shares, the additional Warrants 2012/2017 (consequential securities to be issued pursuant to the Proposed Share Split and Proposed Bonus Issue) ("**Additional Warrants**") and the new JTB Shares to be issued arising from the exercise of the Additional Warrants on the Main Market of Bursa Securities;
- (b) the shareholders of JTB, for the Proposals at an extraordinary general meeting to be convened; and
- (c) any other relevant authorities and/or parties, if required.

The Proposed Share Split, the Proposed Bonus Issue and the Proposed Amendment are inter-conditional upon each other.

Save for the above, the completion of the Proposals is not conditional upon any other corporate exercise undertaken or to be undertaken by JTB.

**6. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and major shareholders of the Company and/or persons connected to them has any interest, whether direct or indirect, in the Proposals save for their respective entitlements as shareholders of the Company under the Proposed Share Split and Proposed Bonus Issue which are also available to all other shareholders of the Company.

**7. DIRECTORS' RECOMMENDATION**

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

**8. PRINCIPAL ADVISER**

RHB Investment Bank has been appointed by the Company to act as the Principal Adviser for the Proposals.

**9. APPLICATION TO THE RELEVANT AUTHORITIES**

Barring any unforeseen circumstances, the applications to the relevant authorities for the Proposals are expected to be submitted within two (2) months from the date of this announcement.

**10. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, and subject to all required approvals being obtained from the relevant authorities and/or parties, the Board expects the Proposals to be completed by the third (3rd) quarter of 2016.

**This announcement is dated 17 June 2016.**