



**KENANGA INVESTMENT BANK BERHAD**  
Company Registration No. 197301002193 (15678-H)  
(Incorporated in Malaysia)

# NOTICE OF FORTY-SIXTH (46<sup>TH</sup>) ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Sixth (46<sup>th</sup>) Annual General Meeting (“**AGM**”) of Kenanga Investment Bank Berhad (“**the Company**”) will be held at Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia (“**Broadcast Venue**”) on Thursday, 11 June 2020 at 11.00 a.m. through live streaming and online remote voting via the Remote Participation and Voting (“**RPV**”) Facilities which are available at Boardroom Share Registrars Sdn Bhd (“**Boardroom**”)’s Online website at <http://boardroomlimited.my/> to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the Financial Year Ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire by rotation in accordance with Clause 78 of the Company’s Constitution and being eligible, offer themselves for re-election:
  - 2.1 Izlan Izhah; **Ordinary Resolution 1**
  - 2.2 Datuk Syed Ahmad Alwee Alsree; and **Ordinary Resolution 2**
  - 2.3 Luigi Fortunato Ghirardello. **Ordinary Resolution 3**
3. To approve the payment of Directors’ fees totalling RM3,265,068.48 in respect of the Financial Year Ended 31 December 2019. **Ordinary Resolution 4**
4. To approve the payment of benefits payable to the Non-Executive Chairman, Non-Executive Deputy Chairman and Non-Executive Directors up to an amount of RM1,300,000.00 from 12 June 2020 until the next AGM of the Company. **Ordinary Resolution 5**
5. To re-appoint Messrs. Ernst & Young PLT as External Auditors of the Company for the Financial Year Ending 31 December 2020 and to authorise the Board of Directors to determine their remuneration. **Ordinary Resolution 6**

## AS SPECIAL BUSINESS

6. **Authority to Directors to Issue Shares** **Ordinary Resolution 7**

To consider, and if thought fit, to pass the following Ordinary Resolution:

“**THAT** subject always to the Companies Act 2016, the Company’s Constitution and approvals of the relevant governmental/ regulatory authorities, the Board of Directors be and is hereby authorised pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and the Board of Directors be and is also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

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## 7. Proposed Renewal of Share Buy-Back Authority

## Ordinary Resolution 8

To consider, and if thought fit, to pass the following Ordinary Resolution:

**“THAT** subject to the provisions of the Companies Act 2016, the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/ or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (**“Proposed Renewal of Share Buy-Back Authority”**) as may be determined by the Board of Directors of the Company from time to time through Bursa Malaysia Securities Berhad, upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company, provided that:

- a. The aggregate number of shares to be purchased pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company and in compliance with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other requirements as may be determined by Bursa Malaysia Securities Berhad from time to time;
- b. The maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company’s latest audited retained profits of RM532,339,595 as at 31 December 2019;
- c. The authority conferred by this Resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be in force until:
  - i. the conclusion of the next AGM of the Company at which time it will lapse, unless by Ordinary Resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
  - ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
  - iii. revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or any other relevant authorities;

- d. Upon the purchase by the Company of its own shares, the Board of Directors be and is hereby authorised to:
  - i. cancel the shares so purchased;
  - ii. retain the shares so purchased as Treasury Shares;
  - iii. retain part of the shares so purchased as Treasury Shares and cancel the remainder;
  - iv. distribute the Treasury Shares as share dividends to shareholders;
  - v. resell the Treasury Shares or any of the said shares in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

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- vi. transfer the Treasury Shares, or any of the said shares for the purposes of or under an employee's share scheme;
- vii. transfer the Treasury Shares, or any of the said shares as purchase consideration;
- viii. cancel the Treasury Shares or any of the said shares; or
- ix. sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

**AND THAT** the Board of Directors of the Company be and is hereby authorised to take all steps as are necessary or expedient to implement or to effect the Proposed Renewal of Share Buy-Back Authority with full power to assent to any condition, modification, variation and/ or amendment as may be imposed by the relevant authorities and to take all such steps as may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

- 8. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act 2016.

## **BY ORDER OF THE BOARD**

**NORLIZA ABD SAMAD**

CCM PC No. 201908002139

MAICSA 7011089

Group Company Secretary

Kuala Lumpur

13 May 2020

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## Notes:

### 1. Proxy

- 1.1 As part of the measures to stem the spread of Coronavirus Disease 2019 (“COVID-19”), the Forty-Sixth (46<sup>th</sup>) AGM will be conducted on a fully virtual basis through live streaming and online remote voting via the RPV Facilities which are available at Boardroom’s Online website at <http://boardroomlimited.my/>. Please follow the procedures provided in the Administrative Guide for the Forty-Sixth (46<sup>th</sup>) AGM in order to register, participate and vote remotely via the RPV Facilities.
- 1.2 The venue of the Forty-Sixth (46<sup>th</sup>) AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue in Malaysia. No Shareholders/ Proxy(ies) from the public will be physically present nor admitted at the Broadcast Venue on the day of the AGM.
- 1.3 For the purpose of determining a member who shall be entitled to attend this Forty-Sixth (46<sup>th</sup>) AGM, the Company shall be requesting Bursa Malaysia Depositors Sdn Bhd in accordance with Clause 60 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 5 June 2020. Only a member whose name appears in the Record of Depositors as at 5 June 2020 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/ or vote on his/ her behalf.
- 1.4 A member of the Company entitled to attend, participate, speak and vote at this AGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/ her place. There shall be no restriction as to the qualification of the proxy. Since the Forty-Sixth (46<sup>th</sup>) AGM will be conducted via a virtual meeting, a member who is unable to attend and vote at the Meeting may appoint the Chairman of the Meeting as his/ her proxy and indicate the voting instruction in the Proxy Form. For Corporate Shareholder, Authorised Nominee and Exempt Authorised Nominee, you may also appoint a Proxy who is not the Chairman of the Meeting.
- 1.5 A member who is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 1.6 Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- 1.7 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 1.8 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
- 1.9 Duly completed Proxy Form must be deposited at the office of the Company’s share registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, no later than Wednesday, 10 June 2020 at 11.00 a.m. Alternatively, you may choose to submit the proxy appointment electronically via Boardroom’s Online website at <http://boardroomlimited.my/> before the Proxy Form submission cut-off time as mentioned above. For further information on the electronic submission of Proxy Form, kindly refer to the procedures provided in the Administrative Guide.
- 1.10 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Forty-Sixth (46<sup>th</sup>) AGM will be put to vote on a poll.

### 2. Audited Financial Statements for the Financial Year Ended 31 December 2019

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders’ approval and hence, will not be put for voting.

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## 3. Ordinary Resolutions 1 to 3 - Re-election of Directors who Retire in Accordance with Clause 78 of the Company's Constitution

Clause 78 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. Pursuant thereto, three (3) Directors of the Company, namely Izlan Izhab, Datuk Syed Ahmad Alwee Alsree and Luigi Fortunato Ghirardello, shall retire in accordance with Clause 78 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the Forty-Sixth (46<sup>th</sup>) AGM, the Board of Directors through its Group Nomination & Remuneration Committee had assessed each of the retiring Directors, and considered the following:

- The Director's performance and contribution based on the outcome of the performance evaluation conducted on the Board of Directors, Board Committees and Individual Directors;
- The Director's level of contribution to the Board of Directors deliberations through his skills, experience and strength in qualities; and
- The level of independence demonstrated by the Director, and his ability to act in the best interests of the Company in decision-making.

The profiles of Izlan Izhab, Datuk Syed Ahmad Alwee Alsree and Luigi Fortunato Ghirardello, can be found in the 2019 Annual Report of the Company.

## 4. Directors' Remuneration

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors agreed that the shareholders' approval shall be sought at the Forty-Sixth (46<sup>th</sup>) AGM on the Directors' remuneration in two (2) separate resolutions as follows:

- Ordinary Resolution 4** on payment of Directors' fees in respect of the Financial Year Ended 31 December 2019; and
- Ordinary Resolution 5** on payment of Directors' benefits from 12 June 2020 to the next AGM in 2021 ("Current Period").

## 5. Directors' Fees

The payment of the fees to the Non-Executive Chairman, Non-Executive Deputy Chairman and Non-Executive Directors ("**NEDs**") in respect of the Financial Year Ended 31 December 2019 will only be paid if the proposed **Ordinary Resolution 4** is passed at the Forty-Sixth (46<sup>th</sup>) AGM pursuant to Section 230(1)(b) of the Companies Act 2016.

## 6. Benefits Payable to the NEDs

- The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman, Deputy Chairman and members of the Board of Directors of the Company, the Board of Directors of subsidiaries and Board Committees.
- The current Directors' remuneration framework of the Company is as set out below.

Description	Chairman	Deputy Chairman	Board Members
Benefits (applicable to the Company only)	Golf club membership, leave passage, driver, vehicle, medical benefits and other claimable benefits	Golf club membership, car, medical benefits and other claimable benefits	Medical benefits

  

Type of Meeting Allowance (per meeting)	Chairman	NED/ Member
Board of Directors	RM2,000	RM2,000
General Meeting	RM2,000	RM2,000
Board Committees	RM2,000	RM2,000

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- c. *Payment of the benefits to the NEDs of the Company and its subsidiaries is made on a monthly basis and/ or as and when incurred if the proposed **Ordinary Resolution 5** is passed at the Forty-Sixth (46<sup>th</sup>) AGM. The Board of Directors is of the view that it is just and equitable for the NEDs to be paid the Directors' Remuneration (excluding Directors' fees) on a monthly basis and/ or as and when incurred, particularly after discharging their responsibilities and rendering their services to the Company and its subsidiaries throughout the Current Period.*

## 7. **Ordinary Resolution 6 - Re-Appointment of Auditors**

*The Audit Committee at its meeting held on 30 January 2020 had undertaken an annual assessment of the performance and independence of the External Auditors, Messrs. Ernst & Young PLT in accordance with Section 67(1) of the Financial Services Act 2013. Based on the assessment, the Audit Committee had recommended to the Board of Directors for approval, the re-appointment of Messrs. Ernst & Young PLT as the Company's External Auditors, given that Messrs. Ernst & Young PLT had fulfilled all the qualifications set out in Bank Negara Malaysia's Policy Document on External Auditor in terms of its performance, as well as independence. The assessment conducted had taken into consideration the following factors:*

- a. *Level of knowledge, capabilities, experience and quality of previous work;*
- b. *Level of engagement with the Audit Committee/ Board of Directors;*
- c. *Ability to provide constructive observations, implications and recommendations in areas which require improvements;*
- d. *Appropriateness of audit approach and the effectiveness of audit planning;*
- e. *Ability to perform the audit work within the agreed duration given;*
- f. *Non-audit services rendered by the External Auditors to KIBB Group did not impede the External Auditors' independence; and*
- g. *Ability of the External Auditors to demonstrate unbiased stance when interpreting the standards/ policy adopted by the Company.*

*The Board of Directors had at its meeting on 31 January 2020 approved the recommendation of the Audit Committee on the re-appointment of Messrs. Ernst & Young PLT as the External Auditors of the Company for the Financial Year Ending 31 December 2020, to be further recommended to the shareholders for approval at the Forty-Sixth (46<sup>th</sup>) AGM, subject to the approval from Bank Negara Malaysia.*

*Pursuant to Section 67(2) of the Financial Services Act 2013, Bank Negara Malaysia had, on 11 March 2020, approved the Company's application for the re-appointment of Messrs. Ernst & Young PLT as the External Auditors of the Company for the Financial Year Ending 31 December 2020.*

## 8. **Special Business**

### 8.1 **Ordinary Resolution 7 - Authority to Directors to Issue Shares**

*The proposed **Ordinary Resolution 7** is a renewal of the general mandate pursuant to Section 75 and Section 76 of the Companies Act 2016 obtained from shareholders of the Company at the previous AGM held on 30 May 2019 and, if passed, will give powers to the Board of Directors to issue ordinary shares in the share capital of the Company up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company for the time being. This general mandate, unless revoked or varied at a general meeting, will expire at the next AGM.*

*The general mandate from shareholders is to provide the Company the flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/ or fund raising exercises including placement of shares for the purpose of funding current and/ or future investment project, working capital and/ or acquisitions, as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on urgent basis and thereby reducing the administrative time and costs associated with the convening of additional shareholders' meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board of Directors considers it to be in the best interest of the Company.*

*The general mandate obtained from the shareholders of the Company at the previous AGM held on 30 May 2019 had not been utilised and hence, no proceed was raised therefrom.*

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## 8.2 **Ordinary Resolution 8 - Proposed Renewal of Share Buy-Back Authority**

*The proposed **Ordinary Resolution 8**, if passed, will empower the Board of Directors to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.*

*The shareholders' mandate for the Proposed Renewal of Share Buy-Back Authority is subject to renewal on an annual basis.*

*Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 13 May 2020 which is despatched together with the Notice of Forty-Sixth (46<sup>th</sup>) AGM.*

## 9. **Abstention from Voting**

9.1 Any NED referred to in **Ordinary Resolutions 1, 2 and 3** who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the Forty-Sixth (46<sup>th</sup>) AGM. In this respect, Luigi Fortunato Ghirardello, who is a shareholder of the Company, will abstain from voting on **Ordinary Resolution 3**.

9.2 Any NEDs of the Company who are the shareholders of the Company will abstain from voting on **Ordinary Resolution 4** and **Ordinary Resolution 5** concerning the Directors' fees and Directors' benefits at the Forty-Sixth (46<sup>th</sup>) AGM. In this respect, Dato' Richard Alexander John Curtis, Luigi Fortunato Ghirardello, Norazian Ahmad Tajuddin and Kanagaraj Lorenz, who are shareholders of the Company, will abstain from voting on **Ordinary Resolution 4** and **Ordinary Resolution 5**.

## 10. **Poll Voting**

*Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by poll.*

## 11. **Publication of AGM Notice on the Company's Website**

*Pursuant to Section 320 of the Companies Act 2016, the Notice of the Company's Forty-Sixth (46<sup>th</sup>) AGM is also available on the Company's website at <https://kenanga.com.my/investor-relations/AGM2020> throughout the period beginning from the date of notice until the conclusion of the Forty-Sixth (46<sup>th</sup>) AGM.*

# **STATEMENT ACCOMPANYING NOTICE OF FORTY-SIXTH (46<sup>TH</sup>) ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## **Further Details of Individuals Who are Standing for Election as Directors (Excluding Directors Standing for Re-election)**

There is no individual seeking election as a Director at the Forty-Sixth (46<sup>th</sup>) AGM of the Company.

## **Ordinary Resolution on Authority to Issue and Allot New Ordinary Shares in the Company**

The proposed Ordinary Resolution 7 on the general mandate for issue of shares is a renewal mandate. As at the date of the Notice of the Forty-Sixth (46<sup>th</sup>) AGM, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 30 May 2019.

Details on the authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 are provided under the explanatory notes on special business in this Notice.