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# kenanga

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

**SHARE BUY-BACK STATEMENT**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ITS ISSUED SHARES**

**AND**

**IN CONJUNCTION WITH THE SPECIAL BUSINESS AT THE  
FORTY-SIXTH (46<sup>TH</sup>) ANNUAL GENERAL MEETING**

The resolution pertaining to the above proposal is set out in the Notice of the Forty-Sixth (46<sup>th</sup>) Annual General Meeting (“**AGM**”) of Kenanga Investment Bank Berhad (“**the Company**”). The Forty-Sixth (46<sup>th</sup>) AGM of the Company will be held at Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 11 June 2020 at 11.00 a.m.

In light of the Coronavirus Disease 2019 pandemic and the constant evolving situation in relation thereto, the Company will be conducting its AGM fully virtual via live webcast and online remote voting using the Remote Participation and Voting Facilities (“**RPV Facilities**”) which are available at Boardroom Share Registrars Sdn Bhd’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.

Last date and time for lodging Proxy Form : Wednesday, 10 June 2020 at 11.00 a.m.  
Date and time of AGM : Thursday, 11 June 2020 at 11.00 a.m.

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

“Act”	: The Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of the Company
“Boardroom”	: Boardroom Share Registrars Sdn Bhd (199601006647 (378993-D))
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
“Bursa Security”	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“Code”	: Malaysian Code on Take-Overs and Mergers 2016 read together with Rules on Take-Overs, Mergers and Compulsory Acquisitions as amended from time to time and any re-enactment thereof
“Director”	: Directors of KIBB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“ESGP”	: Employees’ Share Grant Plan
“EPS”	: Earnings Per Share
“ESOS”	: Employees’ Share Option Scheme
“ESS”	: Employees’ Share Scheme
“KIBB” or “Company”	: Kenanga Investment Bank Berhad (197301002193 (15678-H))
“KIBB Group” or “Group”	: KIBB and its subsidiary companies, collectively
“KIBB Shares” or “Shares”	: Ordinary share(s) of KIBB
“LPD”	: 15 April 2020, being the latest practicable date prior to the printing and despatch of this Statement
“Market Day”	: A day on which the stock market of Bursa Securities is open for trading in securities
“Main Market LR”	: Main Market Listing Requirements of Bursa Securities as at the date of this Statement
“NA”	: Net Assets
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of share buy-back authority for KIBB to purchase up to ten percent (10%) of the total number of its issued shares
“Purchased Shares”	: KIBB Shares purchased or to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
“Record of Depositors”	: A record provided by Bursa Depository to the Company under Chapter 24.0 of the Rules of Bursa Depository

“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RPV”	: Remote Participation and Voting
“SC”	: Securities Commission Malaysia
“Treasury Shares”	: The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
“WAMP”	: Weighted Average Market Price

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

Certain figures in this Statement have been subject to rounding adjustments.

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**APPENDIX 1: FURTHER INFORMATION****APPENDIX 2: EXTRACT OF NOTICE OF FORTY-SIXTH (46<sup>TH</sup>) ANNUAL GENERAL MEETING IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

# kenanga

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

## **SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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### **1. INTRODUCTION**

At the Forty-Fifth (45<sup>th</sup>) AGM of the Company held on 30 May 2019, the Company had obtained its shareholders' approval to purchase up to ten percent (10%) of the total number of its issued shares. The aforesaid shareholders' mandate shall, in accordance with the Main Market LR, lapse at the conclusion of the forthcoming Forty-Sixth (46<sup>th</sup>) AGM of the Company, unless the mandate is renewed by the shareholders.

The Board had, on 31 March 2020, announced to Bursa Securities its intention to seek the shareholders' approval to renew the shareholders' mandate to enable the Company to purchase up to ten percent (10%) of the total number of its issued shares pursuant to Section 127 of the Act, Main Market LR and any prevailing laws, rules, regulations and guidelines issued by the relevant authorities at the time of purchase.

The purpose of this Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the Ordinary Resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming Forty-Sixth (46<sup>th</sup>) AGM of the Company which will be convened at Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 11 June 2020 at 11.00 a.m. through live streaming and online remote voting via the RPV Facilities which are available at Boardroom's Online website at <http://boardroomlimited.my/>. The Notice of the Forty-Sixth (46<sup>th</sup>) AGM and the Proxy Form are dispatched together with this Statement.

### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board proposes to seek approval from the shareholders for a renewal of the existing authority to buy back up to a maximum of ten percent (10%) of the total number of issued shares of KIBB as quoted on the Main Market of Bursa Securities.

The Proposed Renewal of Share Buy-Back Authority, if approved at the forthcoming Forty-Sixth (46<sup>th</sup>) AGM will be effective immediately and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by an Ordinary Resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

## **2.1 Maximum Number or Percentage of the Purchased Shares**

Based on the Company's total issued share capital as at LPD of RM246,248,529.75 comprising 722,741,399 KIBB Shares, a total of up to 72,274,139 KIBB Shares (inclusive of 24,053,900 KIBB Shares that have been purchased and retained as Treasury Shares) may be purchased by the Company.

The maximum amount of funds to be utilised by the Company for the Proposed Renewal of Share Buy-Back Authority will not exceed the Company's retained profits. Based on the Company's latest available audited financial statements as at 31 December 2019, the retained profits stood at RM532,339,595.

## **2.2 Treatment of the Purchased Shares**

Pursuant to Section 127 of the Act, the Board may deal with the Purchased Shares in the following manner:

- (a) cancel the Shares so purchased;
- (b) retain the Shares so purchased as Treasury Shares;
- (c) retain part of the Shares so purchased as Treasury Shares and cancel the remainder;
- (d) distribute the Treasury Shares as share dividends to shareholders;
- (e) resell the Treasury Shares or any of the said shares in accordance with the Main Market LR;
- (f) transfer the Treasury Shares, or any of the said shares for the purposes of or under an employees' share scheme;
- (g) transfer the Treasury Shares, or any of the said shares as purchase consideration;
- (h) cancel the Treasury Shares or any of the said shares; or
- (i) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

The decision to deal with the Purchased Shares as above, or in any manners as permitted by the Act, will be made by the Board at the appropriate time.

While the Purchased Shares are held as Treasury Shares, the rights attached to these shares in relation to attending or voting at meetings and receiving dividends or participating in other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company shall not be conferred. The Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

Where Treasury Shares are distributed as share dividends, the costs of the Shares on the original purchase shall be applied in the reduction of the funds otherwise available for distribution as dividends.

Where the Shares so purchased are cancelled or to cancel any Treasury Shares, the costs of the Shares shall be applied in the reduction of the profits otherwise available for distribution as dividends. The issued capital of the Company shall be diminished by the Shares so cancelled.

In the case of resale or transfer of Treasury Shares, the Company may only resell the Treasury Shares or transfer the Treasury Shares pursuant to Paragraph 12.18 of the Main Market LR at:

- (a) a price which is not less than the WAMP for the KIBB Shares for the five (5) Market Days immediately before the resale or transfer; or
- (b) a discounted price of not more than five percent (5%) to the WAMP for the KIBB Shares for the five (5) Market Days immediately before the resale or transfer provided that:
  - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the KIBB Shares being resold or transferred.

### **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will enable the Company to utilise its surplus financial resources more efficiently and this may help to stabilise the supply and demand of KIBB Shares traded on the Main Market of Bursa Securities and thereby support its fundamental value.

Any Shares purchased under the Proposed Renewal of Share Buy-Back Authority, whether to be held as Treasury Shares or subsequently cancelled, will effectively reduce the number of KIBB Shares carrying voting and participation rights. Therefore, the shareholders of the Company may enjoy an increase in the value of their investment in KIBB due to the increase in its EPS.

The purchased KIBB Shares could be held as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and its shareholders, and it will only be exercised after due consideration of the financial resources of KIBB and any resultant impact on the shareholders of the Company. The Board, in exercising any decision to buy-back any KIBB Shares, will be mindful of the interests of the Company and its shareholders.

### **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority, if implemented, to the Company and its shareholders are as follows:

- (a) the Proposed Renewal of Share Buy-Back Authority will allow the Company to utilise its financial resources where there are no immediate use, to purchase the KIBB Shares. If the KIBB Shares purchased are held as Treasury Shares or cancelled immediately, this may strengthen the consolidated EPS of the Group;
- (b) the Proposed Renewal of Share Buy-Back Authority also stabilises the supply and demand of KIBB Shares traded on Bursa Securities and reduces the volatility of KIBB Share prices. The stability of KIBB Share prices is important to maintain investors' confidence to facilitate future fund raising exercises of the Company via the equity market;

- (c) the Proposed Renewal of Share Buy-Back Authority will provide the Company opportunities for potential gains if the purchased KIBB Shares which are retained as Treasury Shares are resold at prices higher than the purchase prices;
- (d) in the event the Treasury Shares are distributed as share dividends, it will serve to reward the shareholders of KIBB; and
- (e) in the event the Treasury Shares are transferred for the purpose of or under an employees' share scheme, it will serve to reward the employees of KIBB Group.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority, if implemented, to the Company and its shareholders are as follows:

- (a) it will reduce the financial resources of the Company. However, the financial resources of the Company may recover or increase if the Purchased Shares held as Treasury Shares are resold in the market;
- (b) the funds allocated for the share buy-back could be used for other better investment opportunities which may emerge in the future; and
- (c) as the funds to be allocated for the share buy-back must be made wholly out of the Company's retained profits, the amount available from these accounts for distribution of dividends to shareholders of the Company may decrease accordingly.

## 5. FUNDING FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The maximum amount of funds to be utilised by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company's retained profits. Based on the Company's latest available audited financial statements as at 31 December 2019, the retained profits stood at RM532,339,595.

Any KIBB Shares to be bought by KIBB pursuant to the Proposed Renewal of Share Buy-Back Authority will be funded from internally generated funds and/ or funded by external borrowings, if so required. At the moment, the Company does not have any external borrowings for such purpose. In the event that the Company intends to purchase its own shares using external borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and interest expense and that the repayment would not have any material effect on the cash flow of the Company.

The actual amount of internal funds and/ or external borrowings to be utilised will depend on, among others, the available internally generated funds, actual number of KIBB Shares to be purchased and other relevant cost factors at the time of purchase(s).

## 6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The financial effects of the Proposed Renewal of Share Buy-Back Authority shown below are based on two (2) scenarios:

<b>Minimum Scenario</b>	: Assuming none of the 72,079,739 outstanding ESOS and ESGP under ESS as at LPD are exercised into new KIBB Shares
<b>Maximum Scenario</b>	: Assuming all 72,079,739 outstanding ESOS and ESGP under ESS as at LPD are exercised into new KIBB Shares

The proforma effects of the Proposed Renewal of Share Buy-Back Authority (assuming no resale, cancellation or distribution of Treasury Shares and KIBB purchased up to ten percent (10%) of the total number of its issued shares) are set out below.

## 6.1 Share Capital

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the purchased KIBB Shares are cancelled, the effect of the minimum and maximum number of KIBB Shares to be bought back as permitted under the Proposed Renewal of Share Buy-Back Authority on the issued share capital of the Company are illustrated below.

	Minimum Scenario	Maximum Scenario
Total number of issued shares of KIBB (including Treasury Shares)	722,741,399	722,741,399
Assuming full exercise of the outstanding ESOS and ESGP under ESS via issuance of new shares	-	72,079,739
Enlarged total number of issued shares of KIBB after the exercise of the outstanding ESOS and ESGP under ESS	722,741,399	794,821,138
Less: Maximum number of KIBB shares which may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(72,274,139)	(79,482,113)
Total number of issued shares after the Proposed Renewal of Share Buy-Back Authority	650,467,260	715,339,025

The actual quantum of Shares purchased under the Proposed Renewal of Share Buy-Back Authority is limited to the availability of the retained earnings of KIBB.

## 6.2 Net Assets

The effect of the Proposed Renewal of Share Buy-Back Authority on the NA per Share of the Company will depend on the number of KIBB Shares purchased, the purchase price(s) of the KIBB Shares, the effective cost of funding and the treatment of the KIBB Shares purchased.

The Proposed Renewal of Share Buy-Back Authority will reduce the NA per Share if the purchase price per Purchased Share exceeds the NA per Share at the relevant point in time, and vice versa.

### **6.3 Gearing**

The Proposed Renewal of Share Buy-Back Authority is not expected to have any material effect on the Company's gearing.

### **6.4 Working Capital**

The Proposed Renewal of Share Buy-Back Authority will reduce the funds available for working capital purposes of the Company, the quantum of which depends on the purchase price(s) of the KIBB Shares, the actual number of Purchased Shares and any associated costs incurred in making the purchase.

### **6.5 Earnings and EPS**

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings and EPS of KIBB Group will depend on the purchase price(s) of the KIBB Shares, the number of KIBB Shares purchased and the effective funding cost of KIBB Group. The effective reduction in the issued shares of the Company pursuant to the Proposed Renewal of Share Buy-Back Authority will, generally, all else being equal, have a positive impact on the consolidated EPS of the Company.

### **6.6 Dividend**

Barring any unforeseen circumstances, the Proposed Renewal of Share Buy-Back Authority is not expected to have any effect on the Company's dividend policy. The decision to declare and pay dividends in the future would depend on the performance, cash flow position and financing requirements of KIBB Group. The Board may also have the option to distribute future dividends in the form of the Treasury Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

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## 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Record of Depositors as at the LPD and assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full (up to ten percent (10%) of the total number of issued shares) and that the Purchased Shares are from the shareholders other than the Directors and substantial shareholders of KIBB, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and substantial shareholders of KIBB are set out below.

### Minimum Scenario

	Number of Shares Held as at LPD				Number of Shares Held After the Proposed Renewal of Share Buy-Back Authority <sup>(1)</sup> Minimum Scenario			
	Direct	% <sup>(4)</sup>	Indirect	% <sup>(4)</sup>	Direct	% <sup>(5)</sup>	Indirect	% <sup>(5)</sup>
<b>Directors</b>								
Izlan Izhab	-	-	-	-	-	-	-	-
Datuk Syed Ahmad Alwee Alsree	-	-	-	-	-	-	-	-
Dato' Richard Alexander John Curtis	1,100,000	0.16	-	-	1,100,000	0.17	-	-
Luigi Fortunato Ghirardello	631,700	0.09	-	-	631,700	0.10	-	-
Ismail Harith Merican	-	-	-	-	-	-	-	-
Luk Wai Hong, William	-	-	-	-	-	-	-	-
Jeremy Nasrulhaq	-	-	-	-	-	-	-	-
Norazian Ahmad Tajuddin	10,000	*	-	-	10,000	*	-	-
Kanagaraj Lorenz	42,000	0.01	-	-	42,000	0.01	-	-
<b>Substantial Shareholders</b>								
CMS Capital Sdn Bhd	153,353,000	21.95	-	-	153,353,000	23.58	-	-
Cahya Mata Sarawak Berhad	30,070,000	4.30	<sup>(2)</sup> 153,353,000	21.95	30,070,000	4.62	<sup>(2)</sup> 153,353,000	23.58
Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail	100,969,770	14.45	<sup>(3)</sup> 43,500	0.01	100,969,770	15.52	<sup>(3)</sup> 43,500	0.01
Tokai Tokyo Financial Holdings, Inc.	36,514,799	5.23	-	-	36,514,799	5.61	-	-

#### Notes:

\* Negligible

- (1) Assuming that (i) the Proposed Renewal of Share Buy-Back Authority is implemented in full, i.e. up to ten percent (10%) of the total number of issued shares of the Company, (ii) the Purchased Shares are cancelled, and (iii) that the Directors and substantial shareholders' shareholdings in KIBB remain unchanged.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of shares held by CMS Capital Sdn Bhd.
- (3) Deemed interested by virtue of shares held by person connected.
- (4) Calculated based on 698,687,499 KIBB Shares (which excludes 24,053,900 KIBB Shares that have been purchased and retained as Treasury Shares as at LPD).
- (5) Calculated based on 650,467,260 KIBB Shares (which excludes 72,274,139 KIBB Shares, being ten percent (10%) of the total number of issued shares).

**Maximum Scenario**

	Number of Shares Held as at LPD				Number of Shares Held After the Proposed Renewal of Share Buy-Back Authority <sup>(1)</sup> Maximum Scenario			
	Direct	% <sup>(4)</sup>	Indirect	% <sup>(4)</sup>	Direct	% <sup>(5)</sup>	Indirect	% <sup>(5)</sup>
<b>Directors</b>								
Izlan Izhab	-	-	-	-	-	-	-	-
Datuk Syed Ahmad Alwee Alsree	-	-	-	-	-	-	-	-
Dato' Richard Alexander John Curtis	1,100,000	0.16	-	-	1,100,000	0.15	-	-
Luigi Fortunato Ghirardello	631,700	0.09	-	-	631,700	0.09	-	-
Ismail Harith Merican	-	-	-	-	-	-	-	-
Luk Wai Hong, William	-	-	-	-	-	-	-	-
Jeremy Nasrulhaq	-	-	-	-	-	-	-	-
Norazian Ahmad Tajuddin	10,000	*	-	-	10,000	*	-	-
Kanagaraj Lorenz	42,000	0.01	-	-	42,000	0.01	-	-
<b>Substantial Shareholders</b>								
CMS Capital Sdn Bhd	153,353,000	21.95	-	-	153,353,000	21.44	-	-
Cahya Mata Sarawak Berhad	30,070,000	4.30	<sup>(2)</sup> 153,353,000	21.95	30,070,000	4.20	<sup>(2)</sup> 153,353,000	21.44
Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail	100,969,770	14.45	<sup>(3)</sup> 43,500	0.01	100,969,770	14.11	<sup>(3)</sup> 43,500	0.01
Tokai Tokyo Financial Holdings, Inc.	36,514,799	5.23	-	-	36,514,799	5.10	-	-

**Notes:**

\* Negligible

- (1) Assuming that (i) the Proposed Renewal of Share Buy-Back Authority is implemented in full, i.e. up to ten percent (10%) of the total number of issued shares of the Company, (ii) the Purchased Shares are cancelled, and (iii) that the Directors and substantial shareholders' shareholdings in KIBB remain unchanged.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of shares held by CMS Capital Sdn Bhd.
- (3) Deemed interested by virtue of shares held by person connected.
- (4) Calculated based on 698,687,499 KIBB Shares (which excludes 24,053,900 KIBB Shares that have been purchased and retained as Treasury Shares as at LPD).
- (5) Calculated based on 715,339,025 KIBB Shares (which excludes 79,482,113 KIBB Shares, being ten percent (10%) of the enlarged total number of issued shares of KIBB after exercise of the outstanding ESOS and ESGP under ESS).

## **8. PUBLIC SHAREHOLDING SPREAD**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with twenty-five percent (25%) public shareholding spread as required under Paragraph 8.02(1) of the Main Market LR.

The Board will endeavor to ensure that the Company complies with the public shareholding spread requirements and shall not buy-back the Company's own shares if the purchase would result in the public shareholding spread requirements not being met.

The public shareholding spread of the Company based on the Record of Depositors as at the LPD was approximately 53.41%. For illustration purposes, assuming that the purchase by the Company of the KIBB Shares pursuant to the Proposed Renewal of Share Buy-Back Authority is implemented in full, i.e. up to ten percent (10%) of the total number of the issued shares of the Company, the public shareholding spread will be reduced to 49.96% on the basis that all the KIBB Shares are purchased from public shareholders and the KIBB Shares so purchased are held as Treasury Shares or cancelled.

## **9. IMPLICATION OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY IN RELATION TO THE CODE**

Pursuant to the Code, a person or a group of persons acting in concert will be required to make a mandatory general offer if his/ their stake(s) in the Company is/ are increased to beyond thirty-three percent (33%) of the voting shares of KIBB or if his/ their existing shareholding(s) is/ are more than thirty-three percent (33%) but less than fifty percent (50%) and it exceeds by another two percent (2%) in any six (6) months period.

In the event that the share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining KIBB Shares not held by him/ them. However, an exemption from a mandatory offer obligation may be granted by the SC under the Code, subject to the affected person and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its substantial shareholders and/or parties acting in concert with them, the Company is mindful that only such number of shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Code will not be triggered. However, in the event that an obligation to undertake a mandatory offer should arise with respect to any parties from the share buy-back exercise, the relevant parties shall make necessary application to the SC for an exemption from undertaking a mandatory offer under the Code before a mandatory offer is triggered.

## **10. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS**

The Company had not purchased its own shares in the preceding twelve (12) months.

As at LPD, a total of 24,053,900 KIBB Shares were being held as Treasury Shares. The Company has also not resold, transferred or cancelled any Treasury Shares in the preceding twelve (12) months.

## 11. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of KIBB Shares traded on the Main Market of Bursa Securities for the past twelve (12) months from April 2019 to March 2020 are as follows:

	High (RM)	Low (RM)
<b>2019</b>		
April	0.620	0.515
May	0.580	0.550
June	0.580	0.565
July	0.575	0.565
August	0.570	0.500
September	0.535	0.485
October	0.515	0.475
November	0.490	0.460
December	0.460	0.445
<b>2020</b>		
January	0.465	0.420
February	0.455	0.415
March	0.440	0.355

(Source: Bloomberg)

**Note:**

The last transacted market price of KIBB Shares on Bursa Securities as at the LPD was RM0.420 per share.

## 12. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of KIBB at the forthcoming Forty-Sixth (46<sup>th</sup>) AGM.

## 13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders of KIBB and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of the Treasury Shares (if any in the future).

## 14. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back Authority is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming Forty-Sixth (46<sup>th</sup>) AGM.

## **15. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendices in this Statement for further information.

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**FURTHER INFORMATION**

**1. Directors' Responsibility Statement**

This Statement has been seen and approved by the Board and the Board collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge, information and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

**2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of the Forty-Sixth (46<sup>th</sup>) AGM:

- (a) Constitution of KIBB;
- (b) Audited Financial Statements of KIBB and its subsidiaries for the last two (2) financial years ended 31 December 2018 and 31 December 2019; and
- (c) Unaudited Quarterly Financial Results of the Group for the fourth (4<sup>th</sup>) quarter ended 31 December 2019.

**- END OF APPENDIX I OF THIS STATEMENT -**

# kenanga

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

## **EXTRACT OF 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 on Thursday, 11 June 2020 at 11.00 a.m. through live streaming and online remote voting via the Remote Participation and Voting Facilities which are available at Boardroom Share Registrars Sdn Bhd’s Online website at <http://boardroomlimited.my/> to transact the following businesses:

### **AS A SPECIAL BUSINESS**

#### **7. ORDINARY RESOLUTION 8 - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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;
- 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."

#### **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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