

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of ECM Libra Financial Group Berhad ("**Company**") will be held at Ground Floor, East Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 31 July 2012 at 11.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 7th Annual General Meeting of the Company to be held at the same venue and on the same day at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF ECM LIBRA INVESTMENT BANK BERHAD ("ECMLIB") TO KENANGA INVESTMENT BANK BERHAD ("KIBB") FOR AN AGGREGATE CONSIDERATION OF RM875,114,000 (SUBJECT TO POST-CLOSING ADJUSTMENT)

"**THAT** subject to the passing of Special Resolution 2 and the approvals from the relevant regulatory authorities being obtained, approval be and is hereby given for the Company to dispose of the entire issued and paid-up share capital in ECMLIB (including any bonus issue by ECMLIB, where required, to increase its paid-up share capital to undertake and implement the proposed capital reduction of ECMLIB ("**Proposed Capital Reduction of ECMLIB**") which as at the date of the share purchase agreement dated 15 June 2012 entered into between the Company, KIBB and K & N Kenanga Holdings Berhad ("**KNKH**") ("**SPA**"), comprises 513,000,000 ordinary shares of RM1.00 each, to KIBB for an aggregate consideration of RM875,114,000 (subject to post-closing adjustment) ("**Proposed Disposal**") to be fully satisfied in the following manner:

- (i) Cash sum of RM659,614,000 (subject to post-closing adjustment) payable by KIBB;
- (ii) Issuance of RM95,500,000 nominal value of redeemable non-convertible unsecured loan stocks ("**RULS**") by KNKH; and
- (iii) Issuance of 120,000,000 new ordinary shares of RM1.00 each in KNKH ("**KNKH Shares**") at an issue price of RM1.00 per share,

subject to the conditions and upon the terms set out in the SPA;

AND THAT the SPA, all transactions contemplated under the SPA and all agreements, undertakings and documents executed pursuant to the SPA, including, without limitation:

- (i) the Proposed Capital Reduction of ECMLIB; and
- (ii) the purchase by the Company or any of its subsidiaries from ECMLIB of certain retained assets identified by the parties to the SPA, comprising securities and other investments ("**Retained Assets**"), and the execution of the sale and purchase agreement in respect of the Retained Assets,

be and are hereby approved, confirmed and ratified;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Disposal with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to or required by the relevant regulatory authorities or as a consequence of any such requirement or as the Directors may in their absolute discretion deem necessary and/or expedient to implement, finalise and/or give effect to the Proposed Disposal."

SPECIAL RESOLUTION 2

PROPOSED MERGER OF THE BUSINESSES OF KIBB AND ECMLIB

"**THAT** subject to the passing of Special Resolution 1 and the approvals from the relevant regulatory authorities being obtained, approval be and is hereby given to ECMLIB to merge its business with that of KIBB by way of a sale and transfer of the entire business of ECMLIB as a going concern (including substantially all ECMLIB's assets and liabilities) to KIBB ("**Proposed Business Merger**") by way of a vesting order to be obtained from the High Court in Malaysia in accordance with the Banking and Financial Institutions Act 1989 and the Capital Markets and Services Act 2007, for a disposal consideration of RM875,114,000 (subject to post-closing adjustment), subject to the conditions and upon the terms set out in the business merger agreement dated 15 June 2012 entered into between KIBB and ECMLIB ("**BMA**");

AND THAT the BMA, all transactions contemplated under the BMA and all agreements, undertakings and documents executed pursuant to the BMA be and are hereby approved, confirmed and ratified;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Business Merger with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to or as may be required by the relevant regulatory authorities or as a consequence of any such requirement or as the Directors may in their absolute discretion deem necessary and/or expedient to implement, finalise and/or give effect to the Proposed Business Merger."

SPECIAL RESOLUTION 3

PROPOSED CAPITAL RESTRUCTURING

"**THAT** subject to the passing of Special Resolution 1 and Special Resolution 2, the completion of the Proposed Disposal and the Proposed Business Merger, and the approvals from the relevant regulatory authorities, including the confirmation by the High Court in Malaysia pursuant to Section 64 of the Companies Act, 1965, and/or third parties

including creditors or lenders (where necessary) being obtained, approval be and is hereby given for the Company to restructure its issued and paid-up share capital to be effected in the following manner:

- (1) capital repayment comprising:

- (i) cash distribution of RM442,647,000;
- (ii) subject to the approval of the Securities Commission ("**SC**") and such other relevant regulatory authorities, the distribution-in-specie of 120,000,000 new KNKH Shares; and
- (iii) subject to the approval of the SC and such other relevant regulatory authorities for the issuance and transfer of the RULS, the distribution-in-specie of RM47,750,000 in nominal value of the RULS,

to the members of the Company whose name appears in the Record of Depositors on a date to be determined and announced by the Directors in their absolute discretion on a pro-rata basis based on the issued and paid-up share capital of the Company (excluding the ordinary shares of RM1.00 each in the Company held as treasury shares), such capital repayment to be effected via a reduction of the par value of the existing ordinary shares in the Company by an amount to be determined, in accordance with Section 64 of the Companies Act, 1965 ("**Proposed Capital Repayment**");

- (2) share split involving the subdivision of the ordinary shares in the Company after the Proposed Capital Repayment, to facilitate the Proposed Share Consolidation ("**Proposed Share Split**"); and
- (3) share consolidation of the ordinary shares in the Company after the Proposed Share Split resulting in the Company having a reduced issued and paid-up share capital comprising ordinary shares of RM1.00 each, taking into account the Proposed Capital Repayment ("**Proposed Share Consolidation**"),

(collectively referred to as "**Proposed Capital Restructuring**");

AND THAT authority be and is hereby given to the Directors of the Company to confirm:

- (i) the amount to be deducted or reduced from the par value of the ordinary shares in the Company under the Proposed Capital Repayment based on *inter-alia* the closing price of the KNKH Shares on the date of closing of the Proposed Disposal and the distribution of the RM47,750,000 in nominal value of the RULS; and
- (ii) the manner in which the Proposed Capital Repayment, the Proposed Share Split and the Proposed Share Consolidation shall be effected;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Capital Restructuring with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required or imposed by the SC, Bursa Malaysia Securities Berhad ("**Bursa Securities**") or any other relevant regulatory authorities or as a consequence of any such requirement or as the Directors may in their absolute discretion deem necessary and/or expedient, including dealing with fractional entitlements to minimise the incidence of odd lots in the Proposed Capital Repayment, Proposed Share Split and Proposed Share Consolidation, to implement, finalise and/or give effect to the Proposed Capital Restructuring and in the best interest of the Company."

By Order of the Board

IRENE LOW YUET CHUN
CHAN SOON LEE
Secretaries

Kuala Lumpur
9 July 2012

NOTES:

1. Pursuant to Paragraph 10.11A(1)(d) of the Main Market Listing Requirements of Bursa Securities, the resolutions on the Proposed Disposal and Proposed Business Merger must be approved by at least 75% in value of the members present and voting, either in person or by proxy, at the Extraordinary General Meeting of the Company.
2. Only a depositor whose name appears in the Record of Depositors of the Company as at 25 July 2012 shall be regarded as a member entitled to attend, speak and vote, and appoint a proxy to attend, speak and vote on his/her behalf, at the Extraordinary General Meeting.
3. A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member of the Company 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. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
4. Where a member appoints more than one (1) proxy to attend the meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.
6. The Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.