

SECOND SUPPLEMENTARY BASE PROSPECTUS

NagaWarrants by **kenanga**

Second Supplementary Base Prospectus
relating to the offering
of Structured Warrants to be issued
by

KENANGA INVESTMENT BANK BERHAD
(Company Registration No. 197301002193 (15678-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Incorporated in Malaysia under the Companies Act 2016)

This Second Supplementary Base Prospectus dated 14 February 2022 ("**Second Supplementary Base Prospectus**") is a supplemental to and should be read in conjunction with the Base Prospectus dated 21 May 2021 ("**Base Prospectus**") and First Supplementary Base Prospectus dated 3 September 2021 ("**First Supplementary Base Prospectus**") published by Kenanga Investment Bank Berhad ("**KIBB**" or the "**Issuer**") for the purpose of giving updated information with regard to the Issuer and the Structured Warrants to be issued from time to time (within the validity period of the Base Prospectus which expires on 20 May 2022). The specific terms and conditions relating to each series of Structured Warrants will be set out in the term sheets to be issued for the Structured Warrants, which will be supplemental to, and should be read in conjunction with the Base Prospectus, the First Supplementary Base Prospectus and this Second Supplementary Base Prospectus.

You are warned that the price or the level of the underlying financial instruments and the price of the Structured Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. You should therefore make sure you understand the terms and conditions of the Structured Warrants offered, the risk factors involved, and where necessary seek professional advice before investing in the Structured Warrants.

The Structured Warrants constitute general unsecured contractual obligations of the Issuer and of no other person. Therefore, if you purchase the Structured Warrants, you are relying on the creditworthiness of the Issuer and have no recourse/rights against the underlying company which has issued the underlying shares, the underlying exchange-traded fund, the sponsor of the underlying indices or any companies forming part of any indices to which the Structured Warrants relate.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. TURN TO PAGE 18 OF THE BASE PROSPECTUS FOR "RISK FACTORS".

The date of this Second Supplementary Base Prospectus is 14 February 2022 and will expire on 20 May 2022

kenanga

Kenanga Investment Bank Berhad
Company No. 197301002193 (15678-H)

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED THIS SECOND SUPPLEMENTARY BASE PROSPECTUS. OUR DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS SECOND SUPPLEMENTARY BASE PROSPECTUS AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS SECOND SUPPLEMENTARY BASE PROSPECTUS FALSE OR MISLEADING.

WE ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFERING OF THE STRUCTURED WARRANTS (“**OFFER**”).

STATEMENTS OF DISCLAIMER

A COPY OF THIS SECOND SUPPLEMENTARY BASE PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA (“**SC**”). THE REGISTRATION OF THIS SECOND SUPPLEMENTARY BASE PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFER OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

APPROVAL WILL BE OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) FOR THE LISTING OF AND QUOTATION FOR THE STRUCTURED WARRANTS BEING OFFERED. ADMISSION OF THE STRUCTURED WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR INVITATION, CORPORATION AND SECURITIES.

A COPY OF THIS SECOND SUPPLEMENTARY BASE PROSPECTUS HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES. THE REGISTRAR OF COMPANIES DOES NOT TAKE ANY RESPONSIBILITY FOR ITS CONTENTS.

OTHER STATEMENTS

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”).

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS AND THE SALE OF STRUCTURED WARRANTS IN CERTAIN JURISDICTIONS OUTSIDE MALAYSIA MAY BE RESTRICTED BY LAW. YOU ARE REQUIRED TO BE AWARE AND OBSERVE THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA THAT YOU ARE OR MIGHT BE SUBJECT TO.

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

ADDITIONAL INFORMATION AND TERMS RELATING TO EACH OFFERING WILL BE SET OUT IN THE RESPECTIVE TERM SHEETS, WHICH WILL BE SUPPLEMENTAL TO, AND SHOULD BE READ IN CONJUNCTION WITH, THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS.

THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM THE BURSA SECURITIES' WEBSITE AT WWW.BURSAMALAYSIA.COM.

THE DETAILS ON PERSONAL DATA PROTECTION ACT 2010 ("PDPA") ARE AVAILABLE AT KIBB's WEBSITE, <https://kenanga.com.my/pdpa/>.

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THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

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1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS

For the avoidance of doubt, the terms used in this Second Supplementary Base Prospectus shall have the same meanings given to them in the Base Prospectus and the First Supplementary Base Prospectus issued by KIBB unless otherwise specifically defined herein or the context otherwise requires or permits.

1.1 Corporate Directory

We wish to update Section 1 – Corporate Directory (contained on page 1 of the Base Prospectus) and Section 1.1 – Corporate Directory (contained on page 1 of the First Supplementary Base Prospectus) as follows:

Directors

With effect from 13 December 2021, Choy Khai Choon had been appointed as a Non-Independent Non-Executive Director of KIBB.

Accordingly, the composition of the KIBB Board is replaced in its entirety with the following:

Name	Address	Occupation	Nationality
Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail <i>(Chairman/ Independent Non-Executive Director)</i>	Sri Cemerlang Lot 75, Jalan 16/9 46350 Petaling Jaya Selangor Darul Ehsan	Chairman	Malaysian
Luigi Fortunato Ghirardello <i>(Non-Independent Non-Executive Director)</i>	25 Namly Place 267172 Singapore	Company Director	Australian
Ismail Harith Merican <i>(Non-Independent Non-Executive Director)</i>	No. 9, Jalan 12/19 46200 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Luk Wai Hong, William <i>(Independent Non-Executive Director)</i>	7C Balmoral Park #07-02 Singapore 259865	Company Director	Hong Kong
Jeremy Bin Nasrulhaq <i>(Independent Non-Executive Director)</i>	No. 1, Jalan BU3/3 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Norazian Binti Ahmad Tajuddin <i>(Independent Non-Executive Director)</i>	No. 4, Jalan Paya Lebar Empat 27/10D Seksyen 27 40400 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (Cont'd)

Name (Cont'd)	Address (Cont'd)	Occupation (Cont'd)	Nationality (Cont'd)
Kanagaraj Lorenz (Independent Non-Executive Director)	No. 74, Jalan Pudina Bukit Bandaraya Bangsar 59000 Kuala Lumpur Wilayah Persekutuan	Company Director	Malaysian
Choy Khai Choon (Non-Independent Non-Executive Director)	No. 10 Jalan SS 26/3 Taman Mayang Jaya 47301 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

1.2 Information on KIBB

Pursuant to the exercise of the Employees' Share Option Scheme and vesting of KIBB shares under the Performance Share Plan Grant in respect of the Employees' Share Scheme approved by the shareholders of KIBB at the Extraordinary General Meeting held on 25 May 2017, the issued share capital of KIBB has been increased. As at 18 January 2022, the issued share capital of KIBB stood at RM253,833,942.25 comprising 735,762,599 ordinary shares.

The details of new KIBB shares issued since the issuance of the First Supplementary Base Prospectus dated 3 September 2021 up to 18 January 2022 are provided below.

Date of Allotment	Number of Shares Allotment	Issue Price Per Share (RM)	Cumulative Issued Share Capital	Cumulative Issued Share Capital (RM)
Opening Balance	-	-	733,513,099	252,521,467.250
5.8.2021	524,000	0.575	734,037,099	252,822,767.250
5.8.2021	49,500	0.580	734,086,599	252,851,477.250
5.8.2021	111,500	0.605	734,198,099	252,918,934.750
12.8.2021	236,000	0.575	734,434,099	253,054,634.750
12.8.2021	232,500	0.605	734,666,599	253,195,297.250
19.8.2021	308,000	0.575	734,974,599	253,372,397.250
19.8.2021	21,000	0.580	734,995,599	253,384,577.250
19.8.2021	55,000	0.605	735,050,599	253,417,852.250
26.8.2021	265,000	0.575	735,315,599	253,570,227.250
26.8.2021	16,500	0.580	735,332,099	253,579,797.250
26.8.2021	28,500	0.605	735,360,599	253,597,039.750
2.9.2021	129,000	0.575	735,489,599	253,671,214.750
2.9.2021	7,500	0.580	735,497,099	253,675,564.750
2.9.2021	225,000	0.595	735,722,099	253,809,439.750
2.9.2021	40,500	0.605	735,762,599	253,833,942.250

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (Cont'd)

Accordingly, the ninth (9th) paragraph of Section 1.2 – Information on KIBB (contained on page 4 of the First Supplementary Base Prospectus) has been updated and the section is replaced in its entirety with the following:

Our Company was incorporated in Malaysia under the Act on 6 September 1973 as a private company under the name of K & N Kenanga Sdn. The Company was subsequently converted to a private limited company under the name of K & N Kenanga Sdn Bhd on 10 May 1975. Following the conversion to a public limited company on 7 December 1995, the Company's name was changed to K & N Kenanga Bhd. The Company assumed its present name, Kenanga Investment Bank Berhad since 5 January 2007 when it was granted the investment bank status. The Company is a financial institution under the FSA and is regulated by BNM, the SC and Bursa Securities.

On 7 June 1994, our holding company, K & N was incorporated following a restructuring exercise which involved the acquisition of the entire issued and paid-up share capital of KIBB by K & N via the issuance of new ordinary shares of RM1.00 each in K & N to the existing shareholders of KIBB. Upon completion of the exercise, KIBB became a wholly-owned subsidiary of K & N. Subsequently, K & N was listed on the Main Board of Bursa Securities on 8 October 1996.

In May 2002, we were granted universal broker status by the SC. On 13 October 2005, BNM and the SC jointly announced that the framework on investment banks was to be extended to universal brokers. This move was aimed towards further enhancing the capacity and capabilities of domestic capital market intermediaries to contribute towards the development of a more resilient, competitive and dynamic financial system and support economic transformation. In line with the move, we were granted a licence by the Minister of Finance II under Section 6(4) of the then BAFIA to carry on merchant banking business in Malaysia with effect from 5 January 2007 (with effect from 30 June 2013, the BAFIA was replaced with FSA).

We attained investment banking status in 2007 and have since been actively pursuing various initiatives to strengthen our investment banking platform. Today, we offer a wide range of financial products and services such as Structured Warrants, margin financing, structured lending and structured debt instrument via our corporate and institutional coverage, corporate finance, debt capital markets, equity capital markets, corporate banking, Islamic finance, equity broking, equity derivatives, treasury, as well as investment research and advisory services. We also offer fund management, derivatives broking and structured financing via our subsidiaries.

On 1 November 2016, the KIBB Group completed an internal reorganisation of its corporate structure where the identified assets and liabilities, as well as the businesses of K & N were transferred to KIBB. On 2 November 2016, K & N transferred its listing status on the Main Market of Bursa Securities to KIBB which resulted in KIBB becoming the primary operating and listed entity of the KIBB Group.

As at 18 January 2022, KIBB's issued share capital is RM253,833,942.25 comprising 735,762,599 ordinary shares.

Please refer to Section 1.4 and Section 1.8 of the First Supplementary Base Prospectus for the KIBB Group Structure and information on our subsidiaries and associate companies respectively.

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (*Cont'd*)

1.3 History and Background

On 26 October 2021, KIBB entered into a conditional Joint Venture Agreement with Rakuten Securities, Inc. and Kenanga Singapore Pte. Ltd. (“**KSPL**”) to jointly collaborate in providing online brokerage services through KSPL in Singapore.

Accordingly, Section 1.3 – History and Background (contained on pages 5 and 6 of the First Supplementary Base Prospectus) has been updated by adding a new paragraph after the twelfth (12th) paragraph and replacing the entire section to read as follows:

Our Company was incorporated in Malaysia under the Act on 6 September 1973 as a private company under the name of K & N Kenanga Sdn. The Company was subsequently converted to a private limited company under the name of K & N Kenanga Sdn Bhd on 10 May 1975. Following the conversion to a public limited company on 7 December 1995, the Company's name was changed to K & N Kenanga Bhd. The Company assumed its present name, Kenanga Investment Bank Berhad since 5 January 2007 when it was granted the investment bank status. The Company is a financial institution under the FSA and is regulated by BNM, the SC and Bursa Securities.

On 7 June 1994, our holding company, K & N was incorporated following a restructuring exercise which involved the acquisition of the entire issued and paid-up share capital of KIBB by K & N via the issuance of new ordinary shares of RM1.00 each in K & N to the existing shareholders of KIBB. Upon completion of the exercise, KIBB became a wholly-owned subsidiary of K & N. Subsequently, K & N was listed on the Main Board of Bursa Securities on 8 October 1996.

In May 2002, we were granted universal broker status by the SC. On 13 October 2005, BNM and the SC jointly announced that the framework on investment banks was to be extended to universal brokers. This move was aimed towards further enhancing the capacity and capabilities of domestic capital market intermediaries to contribute towards the development of a more resilient, competitive and dynamic financial system and support economic transformation. In line with the move, we were granted a licence by the Minister of Finance II under Section 6(4) of the then BAFIA to carry on merchant banking business in Malaysia with effect from 5 January 2007. Consequently, we commenced operations in January 2007 as an investment bank, offering a complete range of investment banking services including corporate advisory and provision of equity broking services.

Today, we offer a wide range of financial products and services such as Structured Warrants, margin financing, structured lending and structured debt instrument via our corporate and institutional coverage, corporate finance, debt capital markets, equity capital markets, corporate banking, equity broking, equity derivatives, treasury, as well as Islamic financing products and services. We also offer fund management, derivatives broking and structured financing via our subsidiaries.

On 14 December 2012, KIBB completed the acquisition of the entire issued and paid-up share capital of EIBB and the merger of the businesses of EIBB and KIBB. EIBB subsequently changed its name to ECML on 29 November 2013.

On 19 April 2013, KIBB's wholly-owned subsidiary, KIB completed the acquisition of the entire issued and paid-up share capital of IFB followed by the merger of the two (2) companies' businesses on 8 June 2013. IFB had on 18 June 2013 changed its name to KFB. In the same year, KIB was granted the approval by the SC as a PRS provider.

**THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION
WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE
PROSPECTUS DATED 3 SEPTEMBER 2021**

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (*Cont'd*)

On 8 April 2016, KIBB entered into a Subscription Agreement and a Joint Venture Agreement with Rakuten Securities, Inc. and Rakuten Trade Sdn Bhd ("**JV Company**") to jointly collaborate in providing online brokerage services through the JV Company. On 26 April 2017, the JV Company had been granted a Capital Markets Services Licence by the SC to undertake regulated activities of dealing in securities restricted to listed securities and investment advice. The JV Company commenced business on 18 May 2017.

On 1 November 2016, KIBB Group completed an internal reorganisation of its corporate structure where the identified assets and liabilities, as well as the businesses of K & N were transferred to KIBB. On 2 November 2016, K & N transferred its listing status on the Main Market of Bursa Securities to KIBB which resulted in KIBB becoming the primary operating and listed entity of KIBB Group.

On 27 July 2017, KIBB completed the acquisition of the remaining 1,350,000 ordinary shares, representing 27% of the total number of issued shares of Kenanga Deutsche Futures Sdn Bhd which resulted in Kenanga Deutsche Futures Sdn Bhd becoming a wholly-owned subsidiary of KIBB. Subsequently, on 3 August 2017, Kenanga Deutsche Futures Sdn Bhd changed its name to Kenanga Futures Sdn Bhd.

On 8 July 2019, KIB, KIBB's wholly-owned subsidiary, completed its acquisition of the entire issued and paid-up share capital of Libra Invest Berhad. Subsequently, on 1 April 2020, KIB entered into a Share Purchase Agreement with EPSB for the disposal of the entire issued and paid-up share capital of Libra Invest Berhad to EPSB. The disposal was completed on 30 April 2021, upon which, Libra Invest Berhad has ceased to be a wholly-owned subsidiary of KIB.

On 5 August 2020, Kenanga Capital Islamic Sdn Bhd, a wholly-owned subsidiary of Kenanga Capital Sdn Bhd, which in turn is a wholly-owned subsidiary of KIBB, issued 2,401,960 ordinary shares (equivalent to 49% shareholding) to Bay Amaranтите Sdn Bhd. Arising therefrom, Kenanga Capital Sdn Bhd's shareholding in Kenanga Capital Islamic Sdn Bhd was reduced to 51% while Bay Amaranтите Sdn Bhd holds 49%.

On 26 August 2020, KIB entered into a Share Purchase Agreement with ValueCAP Sdn Bhd to acquire the entire issued and paid-up share capital of I-VCAP Management Sdn Bhd. This acquisition was completed on 19 February 2021, upon which, I-VCAP Management Sdn Bhd became a wholly-owned subsidiary of KIB.

On 26 October 2021, KIBB entered into a conditional Joint Venture Agreement with Rakuten Securities, Inc. and KSPL to jointly collaborate in providing online brokerage services through KSPL in Singapore. As at 18 January 2022, the conditions precedent to the conditional Joint Venture Agreement have yet to be fulfilled.

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1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (*Cont'd*)

1.4 Liquidity Provision

Pursuant to the Circular R/R 9 of 2021 dated 16 December 2021 issued by Bursa Malaysia Securities Berhad's ("the Exchange"), amendments have been made to the directive in relation to market makers and derivatives specialists ("**Directive No. 4-001**") for market making in structured warrants.

The amendments enhanced the Exchange's requirements pertaining to the entry of the bid and offer prices for market making of structured warrants, in the following manner:

- (a) increase the minimum presence of a Market Maker in the market to 80%;
- (b) tighten the maximum spread of a Market Maker's two-sided quotes to 10 bids; and
- (c) increase the minimum quantity on each of the Market Maker's two-sided quotes to 5,000 units.

Accordingly, the third (3rd) and fifth (5th) paragraph in Section 5.2 – Liquidity Provision (contained on page 31 to 33 of the Base Prospectus) have been updated and the section is replaced in its entirety with the following:

The Listing Requirements provides that upon initial listing, there must be at least 100 Warranholders holding not less than 1 board lot of warrants each, or at least 50 Warranholders subscribing for a minimum of RM100,000 of warrants each ("**Minimum Holders Requirement**"), unless the Issuer provides liquidity for the structured warrants via Market Making.

KIBB is a registered Market Maker pursuant to the rules of Bursa Securities and therefore, is not required to fulfil the Minimum Holders Requirement mentioned above.

As an Issuer, it is our business policy to stand by our products by providing liquidity. We are the liquidity provider for the trading of our Structured Warrants on Bursa Securities. **As currently stipulated by Bursa Securities, we will maintain a minimum market presence of 80% of trading hours on each day that Bursa Securities is open for trading and a maximum spread between bid and offer prices of ten (10) bids.**

The process of providing liquidity involves maintaining bid and offer prices on the trading system of Bursa Securities on each Market Day, over the life of the Structured Warrants. Although we endeavour to provide liquidity for the Structured Warrants on Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing. Besides the supply and demand for the Structured Warrants in the secondary market, there are other factors affecting the price of the Structured Warrants such as, without limitation, the underlying unit price, intrinsic value, dividend expectations, expected volatility, prevailing interest rates and the time left to the expiry of the Structured Warrants.

As a liquidity provider, we would need to maintain a certain number of Structured Warrants as inventory for the purposes of liquidity provision during the tenure of the Structured Warrants. **The minimum quantity of structured warrants for which liquidity will be provided is 50 (fifty) board lots (5,000 units of Structured Warrants).** We may during the tenure of the Base Prospectus issue additional Structured Warrants in a particular series subject to the approval of Bursa Securities.

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (Cont'd)

However, you should note that there would be circumstances under which we are unable and could not be obliged to provide liquidity, due to reasons beyond our control. Such circumstances may include the occurrence or existence of one (1) or more of the following events:-

- (i) During the pre-opening session, ten (10) minutes following the opening of Bursa Securities on any trading day or any other circumstances as may be prescribed by Bursa Securities from time to time;
- (ii) During the pre-closing session, last ten (10) minutes prior to the close of a trading session on any trading day or any other circumstances as may be prescribed by Bursa Securities from time to time;
- (iii) Upon the occurrence of a Mandatory Call Event;
- (iv) When trading in the Underlying Instrument or index futures is suspended or limited in a material way for any reason; for the avoidance of doubt, the liquidity provider is not obliged to provide quotations for the Structured Warrants at any time when the Underlying Instrument or relevant index futures is not traded for any reason;
- (v) When the Structured Warrants and/or the Underlying Instrument are suspended or limited in a material way for any reason;
- (vi) When the number of Structured Warrants available for Market Making activities by the liquidity provider is less than 5% of the total issue size of the Structured Warrants; for the avoidance of doubt, Structured Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Structured Warrants available for Market Making activities;
- (vii) During the five (5) Market Days immediately preceding the Expiry Date;
- (viii) When technical problems or other events beyond the control of the liquidity provider (such as a natural or man-made disaster or an act of terrorism) affect the ability of liquidity provider to provide bid and offer prices;
- (ix) If the stock market and/or the Underlying Instrument experience exceptional price movement and volatility;
- (x) If a market disruption event occurs, including without limitation any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in the Underlying Instrument or any Structured Warrants, option contracts or futures contracts relating to the Underlying Instrument;
- (xi) When the ability of the liquidity provider to source a hedge or unwind an existing hedge, as determined by the liquidity provider in good faith, is materially affected by the prevailing market conditions;
- (xii) If each Structured Warrant is theoretically valueless or where the Issuer's bid price is below RM0.005. In such an instance, the liquidity provider will provide the offer price only;

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (Cont'd)

- (xiii) If, in our sole and absolute determination, the theoretical bid/offer price of the Structured Warrants is less than the minimum price or greater than the maximum price that can be entered into or accepted by the trading system of Bursa Securities through which the liquidity provider enters orders for the Structured Warrants for the purpose of providing liquidity;
- (xiv) In the case of an Underlying Index, any modification, cancellation or disruption of the calculation of the Underlying Index (other than as result of a market disruption event);
- (xv) In the case of put warrants, our ability to perform short-selling in the market becomes restricted or prohibited;
- (xvi) When it is a public holiday in Malaysia and Bursa Securities is not open for trading; or
- (xvii) Any circumstances as may be allowed by Bursa Securities and/or the SC.

Although the liquidity provider will be facilitating Market Making activities to provide liquidity for the Structured Warrants on Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing.

You may obtain bid/offer prices for the Structured Warrants (in respect of prices that appear on the trading system of Bursa Securities, and/or in respect of direct business transactions) from us at the following contact details:

KIBB
Equity Derivatives
Telephone no.: (03)-2172 2615

1.5 Share Capital

Pursuant to the exercise of the Employees' Share Option Scheme and vesting of KIBB shares under the Performance Share Plan Grant in respect of the Employees' Share Scheme approved by the shareholders of KIBB at the Extraordinary General Meeting held on 25 May 2017, the issued share capital of KIBB has been increased. As at 18 January 2022, the issued share capital of KIBB stood at RM253,833,942.25 comprising 735,762,599 ordinary shares.

The details of new KIBB shares issued since the issuance of the First Supplementary Base Prospectus dated 3 September 2021 up to 18 January 2022 are provided under Section 1.2 – Information on KIBB (contained on pages 2 to 3 of this Second Supplementary Base Prospectus).

Accordingly, Section 1.5 – Share Capital (contained on page 8 of the First Supplementary Base Prospectus) has been updated and is replaced in its entirety with the following:

	No. of Ordinary Shares ('000)	Amount RM '000
Issued Share Capital	735,763	253,834

**THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION
WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE
PROSPECTUS DATED 3 SEPTEMBER 2021**

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS *(Cont'd)*

1.6 Our Board

Pursuant to the appointment of Choy Khai Choon as a Non-Independent Non-Executive Director of KIBB with effect from 13 December 2021, Section 6.3 – Our Board (contained on page 42 of the Base Prospectus) and Section 1.6 – Our Board (contained on pages 8 and 9 of the First Supplementary Base Prospectus) have been updated and are replaced in its entirety with the following:

Name	Designation	Year Appointed	Expiration Date of Current Term of Appointment
Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	Chairman/ Independent Non-Executive Director	2020	30.06.2023
Luigi Fortunato Ghirardello	Non-Independent Non-Executive Director	2008	28.07.2023
Ismail Harith Merican	Non-Independent Non-Executive Director	2010	14.04.2022
Luk Wai Hong, William	Independent Non-Executive Director	2013	31.10.2022
Jeremy Bin Nasrulhaq	Independent Non-Executive Director	2017	31.05.2023
Norazian Binti Ahmad Tajuddin	Independent Non-Executive Director	2017	14.12.2023
Kanagaraj Lorenz	Independent Non-Executive Director	2017	25.12.2023
Choy Khai Choon	Non-Independent Non-Executive Director	2021	12.12.2024

1.7 Our Substantial Shareholders

Pursuant to the exercise of the Employees' Share Option Scheme and vesting of KIBB shares under the Performance Share Plan Grant in respect of the Employees' Share Scheme approved by the shareholders of KIBB at the Extraordinary General Meeting held on 25 May 2017, the issued share capital of KIBB has been increased. As at 18 January 2022, the issued share capital of KIBB stood at RM253,833,942.25 comprising 735,762,599 ordinary shares.

The details of new KIBB shares issued since the issuance of the First Supplementary Base Prospectus dated 3 September 2021 up to 18 January 2022 are provided under Section 1.2 – Information on KIBB (contained on pages 2 to 3 of this Second Supplementary Base Prospectus).

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS *(Cont'd)*

Accordingly, Section 1.7 – Our Substantial Shareholders (contained on page 9 of the First Supplementary Base Prospectus) has been updated and is replaced in its entirety with the following:

Name	Nationality/ Country of Incorporation	No. of Shares Held			
		Direct	% ⁽¹⁾	Indirect	% ⁽¹⁾
CMS Capital Sdn Bhd	Malaysia	136,823,000	18.71	-	-
Cahaya Mata Sarawak Berhad	Malaysia	-	-	⁽²⁾ 136,823,000	18.71
Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail	Malaysian	100,969,770	13.81	⁽³⁾ 50,000	0.01

Note:

(1) *Excluding treasury shares of 4,481,800.*

(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.*

1.8 Material Litigation

We wish to update Section 10.2 – Material Litigation (contained on page 68 to 69 of the Base Prospectus) and Section 1.9 – Material Litigation (contained on page 14 to 15 of the First Supplementary Base Prospectus) as follows:

As at 18 January 2022, we wish to highlight the updates on the following cases:

(a) Kuala Lumpur High Court Suit No: WA-22NCC-662-11/2019
Lai Sing Foo (“Plaintiff”) v. KIBB, Lee Kim Lin (the “2nd Defendant”) & Wong Kong Choong @ Leong Kong Choong (the “3rd Defendant”)

Court of Appeal Civil Appeal No: W-02(IM)(NCC)-1327-07/2021
Lai Sing Foo (“Appellant”) v. KIBB, Lee Kim Lin & Wong Kong Choong @ Leong Kong Choong (the “Respondents”)

Court of Appeal Civil Appeal No: W-02(NCC)(W)-2221-11/2021
Lai Sing Foo (“Appellant”) v. KIBB & Wong Kong Choong @ Leong Kong Choong (the “Respondents”)

The Plaintiff filed his claim on 25 November 2019. He alleged that the 2nd Defendant who is KIBB’s former commissioned dealer representative, has arranged, purportedly in her capacity as KIBB’s employee, for a share sale between the Plaintiff and the 3rd Defendant of shares in a public listed company (the “Share Sale”). The Plaintiff further alleged that he has transferred a sum of RM3,300,000 into his trust account with KIBB and for purpose of the Share Sale.

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 21 MAY 2021 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 3 SEPTEMBER 2021

1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (*Cont'd*)

However, the said Share Sale arrangement did not materialise and the shares had lost value. The Plaintiff claims KIBB is responsible for his losses.

KIBB is opposing the Plaintiff's claim and has filed its defence on 20 January 2020. On 5 March 2020, KIBB has filed an application for further and better particulars of the Plaintiff's statement of claim dated 25 November 2019 (the "**Application**") on the Share Sale arrangement in particular the details of the parties purportedly involved in the Share Sale including the relevant time and date. The Application was heard on 19 August 2020 and on 8 October 2020, the Application was dismissed with costs. On 24 May 2021, the Plaintiff filed an application under Order 33 of the Rules of Court 2012 for a preliminary issue to be determined before the trial and for a stay of the proceedings. Such application was dismissed by the Court on 29 June 2021. On 5 July 2021, the Plaintiff appealed against the High Court's decision to dismiss the Plaintiff's application under Order 33 of the Rules of Court 2012 ("**O33 Appeal**"). The O33 Appeal is now fixed for case management on 21 January 2022. The trial commenced on 11 August 2021 to 13 August 2021.

On 3 November 2021, the Court dismissed the Plaintiff's claim against KIBB and the 3rd Defendant with costs of RM25,000.00 each to KIBB and the 3rd Defendant to be paid by the Plaintiff. The Plaintiff's claim against the 2nd Defendant was allowed with costs of RM25,000.00 to be paid to the Plaintiff by the 2nd Defendant.

The Plaintiff filed an appeal on 25 November 2021 to the Court of Appeal against the decision ("**Trial Appeal**") and the matter is fixed for case management on 16 February 2022.

The solicitors for KIBB are of the opinion that KIBB has a good chance of success in opposing both the O33 Appeal and the Trial Appeal.

1.9 Material Contracts

As at 18 January 2022, we wish to update the details of our material contracts which was disclosed in Section 10.3 – Material Contracts (contained on page 70 of the Base Prospectus) as follows:

- (a) KIB entered into a share purchase agreement on 1 April 2020 with Ericsenz Partners Sdn Bhd for the disposal of 6,500,000 ordinary shares in Libra Invest Berhad representing 100% of the issued and paid up share capital of Libra Invest Berhad for a consideration of RM10,750,000.00. **The disposal was completed on 30 April 2021 and Libra Invest Berhad has ceased to be a wholly-owned subsidiary of KIB.**
- (b) On 26 October 2021, KIBB entered into a conditional Joint Venture Agreement with Rakuten Securities, Inc. and Kenanga Singapore Pte. Ltd. ("**KSPL**") to jointly collaborate in providing online brokerage services through KSPL in Singapore.

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2 ADDITIONAL INFORMATION

2.1 BASE PROSPECTUS AND FIRST SUPPLEMENTARY BASE PROSPECTUS REMAIN IN FULL FORCE AND EFFECT SUBJECT TO AMENDMENTS

The Base Prospectus and the First Supplementary Base Prospectus remain in full force and effect, save and except for the amendments to the Base Prospectus and the First Supplementary Base Prospectus, as set out in this Second Supplementary Base Prospectus.

2.2 DOCUMENTS FOR INSPECTION

In addition to the documents described in Section 10.6 of the Base Prospectus and Section 2.2 of the First Supplementary Base Prospectus, a copy of this Second Supplementary Base Prospectus and the material contracts disclosed in Section 1.9 of this Second Supplementary Base Prospectus, may be inspected at our registered office during office hours for a period of twelve (12) months from the date of our Base Prospectus.

2.3 RESPONSIBILITY STATEMENT

- (i) We acknowledge that, based on all available information, and to the best of our knowledge and belief, the Base Prospectus, the First Supplementary Base Prospectus and this Second Supplementary Base Prospectus constitute a full and true disclosure of all material facts concerning the Offer.
- (ii) Our Directors have seen and approved this Second Supplementary Base Prospectus. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Second Supplementary Base Prospectus and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Second Supplementary Base Prospectus false or misleading.

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