

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 28 December 2022 ("**Second Supplementary Base Prospectus**") is a supplemental to and must be read together with the Base Prospectus dated 25 May 2022 ("**Base Prospectus**") and First Supplementary Base Prospectus dated 2 September 2022 ("**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 24 May 2023). No structured warrants will be offered based on the Base Prospectus after 12 months from the date of the Base Prospectus. 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 must be read together 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 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 or rights against the Underlying Company which has issued the Underlying Shares, or the Underlying Index Sponsor and the companies constituting the index, or the Underlying ETF and the ETF manager 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.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE RISK FACTORS COMMENCING ON PAGE 20 OF THE BASE PROSPECTUS FOR "RISK FACTORS".

The date of this Second Supplementary Base Prospectus is 28 December 2022 and will expire on 24 May 2023

kenanga

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

**THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE
BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS
DATED 2 SEPTEMBER 2022**

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, AND 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

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS HAS BEEN REGISTERED BY 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, OPINION EXPRESSED OR REPORT CONTAINED IN THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS SECOND SUPPLEMENTARY BASE PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE STRUCTURED WARRANTS BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE ISSUER 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 STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

APPROVAL WILL BE OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) FOR THE LISTING OF AND QUOTATION OF 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 SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”) FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS SECOND SUPPLEMENTARY BASE PROSPECTUS THAT IS FALSE, MISLEADING OR FROM WHICH THERE IS A MATERIAL OMISSION OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS SECOND SUPPLEMENTARY BASE PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE ISSUER.

THE INFORMATION DISCLOSED IN THIS SECOND SUPPLEMENTARY BASE PROSPECTUS IS IN ACCORDANCE WITH THE REQUIREMENTS UNDER THE CMSA FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF CMSA IS RESPONSIBLE.

**THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE
BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS
DATED 2 SEPTEMBER 2022**

OTHER STATEMENTS (CONT'D)

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

ADDITIONAL INFORMATION AND TERMS RELATING TO EACH OFFERING WILL BE SET OUT IN THE RESPECTIVE TERM SHEETS, WHICH WILL BE SUPPLEMENTAL TO, AND MUST BE READ TOGETHER 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 MUST BE READ TOGETHER WITH THE
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DATED 2 SEPTEMBER 2022**

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1. UPDATE OF INFORMATION CONTAINED IN THE BASE PROSPECTUS AND THE FIRST SUPPLEMENTARY 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 pages 1 and 2 of the Base Prospectus) and Section 1.1 – Corporate Directory (contained on pages 1 to 3 of the First Supplementary Base Prospectus) as follows:

Directors

With effect from 1 November 2022, Luk Wai Hong, William has been re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director of KIBB.

Accordingly, the composition of the KIBB Board (contained on page 1 of the Base Prospectus and pages 1 and 2 of the First Supplementary Base Prospectus) 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
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>(Non-Independent Non-Executive Director)</i>	7C Balmoral Park #07-02 Singapore 259865	Company Director	Hong Kong
Jeremy Bin Nasrulhaq <i>(Senior 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
Kanagaraj Lorenz <i>(Independent Non-Executive Director)</i>	No. 74, Jalan Pudina Bukit Bandaraya Bangsar 59000 Kuala Lumpur Wilayah Persekutuan	Company Director	Malaysian

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

Name (Cont'd)	Address (Cont'd)	Occupation (Cont'd)	Nationality (Cont'd)
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
Chin Siew Siew (Independent Non-Executive Director)	77 Jalan Meranti Bukit Sierramas West 47000 Sungai Buloh Selangor Darul Ehsan	Company Director	Malaysian

Audit Committee (“AC”)

With effect from 1 November 2022, the composition of the AC has been revised as a result of the following:

- i) appointment of Norazian Binti Ahmad Tajuddin as a member of the AC; and
- ii) resignation of Luk Wai Hong, William as a member of the AC.

Accordingly, the composition of the AC (contained on page 2 of the Base Prospectus) is replaced in its entirety with the following:

Name	Designation	Directorship in KIBB
Jeremy Bin Nasrulhaq	Chairman	Senior Independent Non-Executive Director
Kanagaraj Lorenz	Member	Independent Non-Executive Director
Norazian Binti Ahmad Tajuddin	Member	Independent Non-Executive Director

Group Board Risk Committee (“GBRC”)

With effect from 1 November 2022, the composition of the GBRC has been revised as a result of the following:

- i) appointment of Norazian Binti Ahmad Tajuddin as the Chairman of the GBRC;
- ii) cessation of Luk Wai Hong, William as the Chairman of the GBRC, whilst remaining as a member of the GBRC; and
- iii) appointment of Chin Siew Siew as a member of the GBRC.

Accordingly, the composition of the GBRC (contained on page 2 of the Base Prospectus and the First Supplementary Base Prospectus respectively) is replaced in its entirety with the following:

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

Name	Designation	Directorship in KIBB	
Norazian Binti Ahmad Tajuddin	Chairman	Independent Non-Executive Director	
Luk Wai Hong, William	Member	Non-Independent Director	Non-Executive Director
Kanagaraj Lorenz	Member	Independent Non-Executive Director	
Choy Khai Choon	Member	Non-Independent Director	Non-Executive Director
Chin Siew Siew	Member	Independent Non-Executive Director	

Group Governance, Nomination & Compensation Committee (“GNC”)

With effect from 1 November 2022, the composition of the GNC has been revised as a result of the following:

- i) appointment of Chin Siew Siew as the Chairman of the GNC;
- ii) cessation of Norazian Binti Ahmad Tajuddin as the Chairman of the GNC, whilst remaining as a member of the GNC; and
- iii) resignation of Luk Wai Hong, William as a member of the GNC.

Accordingly, the composition of the GNC (contained on page 2 of the Base Prospectus and pages 2 and 3 of the First Supplementary Base Prospectus) is replaced in its entirety with the following:

Name	Designation	Directorship in KIBB	
Chin Siew Siew	Chairman	Independent Non-Executive Director	
Norazian Binti Ahmad Tajuddin	Member	Independent Non-Executive Director	
Jeremy Bin Nasrulhaq	Member	Senior Independent Director	Non-Executive Director
Ismail Harith Merican	Member	Non-Independent Director	Non-Executive Director
Choy Khai Choon	Member	Non-Independent Director	Non-Executive Director

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 2 SEPTEMBER 2022

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

1.2 Our Board

Pursuant to the re-designation of Luk Wai Hong, William from Independent Non-Executive Director to Non-Independent Non-Executive Director of KIBB with effect from 1 November 2022 and approval obtained from BNM for his re-appointment as a Director of KIBB for another term of three (3) years, Section 6.3 – Our Board (contained on page 45 of the Base Prospectus) and Section 1.4 – Our Board (contained on page 7 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
Ismail Harith Merican	Non-Independent Non-Executive Director	2010	14.04.2025
Luk Wai Hong, William	Non-Independent Non-Executive Director	2013	31.10.2025
Jeremy Bin Nasrulhaq	Senior 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
Chin Siew Siew	Independent Non-Executive Director	2022	31.05.2024

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

1.3 Our Key Management Team

Pursuant to the following:

- i) retirement of Megat Mizan Nicholas Denney as the Executive Director, Head of Group Business Development with effect from 25 September 2022, and
- ii) appointment of Vaithyanathan A/L Madavan, the Head, Group Operations, as our key management team with effect from 26 September 2022,

Section 6.4 – Our Key Management Team (contained on page 46 of the Base Prospectus) and Section 1.5 – Our Key Management Team (contained on page 8 of the First Supplementary Base Prospectus) have been updated and are replaced in its entirety with the following:

Name	Designation
Datuk Chay Wai Leong	Group Managing Director
Lee Kok Khee	Executive Director, Head of Group Equity Broking Business
Datuk Roslan Hj Tik	Executive Director, Head of Group Investment Banking and Islamic Banking
Cynthia Woon Cheng Yee	Head, Group Treasury
Maheswari Kanniah	Group Chief Regulatory and Compliance Officer
Cheong Boon Kak	Group Chief Financial and Operations Officer
Tai Yan Fee	Group Chief Risk Officer
Terence Tan Kian Meng	Group Chief Internal Auditor
Woo King Huat	Chief Credit Officer
Nik Hasniza Binti Nik Ibrahim	Head, Group Human Resource
Low Jia Yee	Chief Technology Officer
Ian W. Lloyd	Chief Digital Officer
Vaithyanathan A/L Madavan	Head, Group Operations
Chuah Sze Phing	Group Chief Sustainability Officer and Head of Group Marketing & Communications

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

1.4 Our Substantial Shareholders

The following events have taken place since the issuance of the First Supplementary Base Prospectus dated 2 September 2022 up to 1 December 2022:

- i) KIBB has, on 8 September 2022, 28 September 2022 and 7 November 2022, transferred a total of 4,500,000 treasury shares to the appointed trustee, to facilitate the implementation and administration of KIBB's Employees' Share Option Scheme ("ESOS") under the Employees' Share Scheme approved by the shareholders of KIBB at an Extraordinary General Meeting held on 25 May 2017, pursuant to Section 127(7)(c) of the Act. In addition, KIBB has also embarked on a share buy back exercise between the period from 9 August 2022 (a day after the Latest Practicable Date of the First Supplementary Base Prospectus dated 2 September 2022) to 1 December 2022 pursuant to Section 127(1) of the Act and retained 4,605,000 KIBB shares so purchased as treasury shares.

Consequential to the above, the percentage of the substantial shareholders' shareholdings in KIBB has changed even though the number of KIBB shares held by them remain unchanged.

- ii) A person connected to Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail has, on 15 September 2022, exercised options, i.e. 100,000 ordinary shares under the ESOS.

Accordingly, Section 6.5 – Our Substantial Shareholders (contained on page 47 of the Base Prospectus) and Section 1.6 – Our Substantial Shareholders (contained on page 9 of the First Supplementary Base Prospectus) have been updated and are 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	18.83	-	-
Cahaya Mata Sarawak Berhad	Malaysia	-	-	⁽²⁾ 136,823,000	18.83
Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail	Malaysian	100,969,770	13.89	⁽³⁾ 198,100	0.03

Notes:

- (1) Excluding 8,973,300 treasury shares retained by KIBB as at 1 December 2022.
- (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.

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

1.5 Audit Committee

Pursuant to the following changes to the AC with effect from 1 November 2022:

- i) appointment of Norazian Binti Ahmad Tajuddin as a member of the AC; and
- ii) resignation of Luk Wai Hong, William as a member of the AC,

the composition of AC in Section 6.8.1 – Audit Committee (contained on page 54 of the Base Prospectus) is replaced in its entirety with the following:

Name	Designation	Directorship in KIBB
Jeremy Bin Nasrulhaq	Chairman	Senior Independent Non-Executive Director
Kanagaraj Lorenz	Member	Independent Non-Executive Director
Norazian Binti Ahmad Tajuddin	Member	Independent Non-Executive Director

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

1.6 Summary of KIBB Group's Historical Financial Information

KIBB has released its latest unaudited consolidated financial information for the nine (9)-months financial period ended ("FPE") 30 September 2022 on 30 November 2022.

Accordingly, the financial information enclosed in Section 6.9 – Summary of KIBB Group's Historical Financial Information (contained on pages 59 to 66 of the Base Prospectus) is replaced in its entirety with the following:

Consolidated statements of financial position

	As at 30 September 2022 RM'000 Unaudited	As at 31 December 2021 RM'000 Audited	As at 31 December 2020 RM'000 Audited	As at 31 December 2019 RM'000 Audited
ASSETS				
Cash and bank balances	2,079,040	1,897,384	1,644,534	2,063,057
Financial assets at fair value through profit or loss	304,600	387,322	543,539	328,680
Debt instruments at fair value through other comprehensive income	474,383	736,114	769,742	793,993
Equity instruments at fair value through other comprehensive income	1,294	1,460	1,990	1,088
Debt instruments at amortised cost	321,912	213,660	193,035	112,756
Derivative financial assets	87,042	81,453	95,571	65,174
Loans, advances and financing	1,688,123	1,775,413	1,869,249	2,064,674
Balances due from clients and brokers	368,084	334,465	545,057	280,357
Other assets	262,819	238,822	188,289	201,785
Statutory deposit with Bank Negara Malaysia	48,195	50,868	58,398	99,164
Tax recoverable	22,162	38,807	44,104	24,155
Investment in associates	103,568	87,171	72,078	64,642
Investment in joint ventures	28,900	31,969	24,719	15,801
Property, plant and equipment	157,202	163,475	164,930	170,450
Intangible assets	331,640	331,061	322,367	317,387
Right-of-use assets	20,539	18,473	23,182	24,656
Deferred tax assets	25,494	30,605	14,283	2,955
TOTAL ASSETS	6,324,997	6,418,522	6,575,067	6,630,774

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

Consolidated statements of financial position (cont'd)

	As at 30 September 2022 RM'000 Unaudited	As at 31 December 2021 RM'000 Audited	As at 31 December 2020 RM'000 Audited	As at 31 December 2019 RM'000 Audited
LIABILITIES				
Deposits from customers	3,142,760	3,137,278	2,952,385	4,065,494
Deposits and placements of banks and other financial institutions	649,118	652,862	1,066,085	650,718
Balances due to clients and brokers	740,050	665,968	720,665	537,393
Derivative financial liabilities	6,469	28,760	137,480	13,416
Other liabilities	456,764	573,699	447,295	322,952
Obligations on securities sold under repurchase agreements	61,417	-	-	-
Borrowings	218,300	244,700	175,400	96,600
Lease liabilities	20,870	18,829	23,382	24,429
Provision for taxation and zakat	13,649	41,396	47,278	14,793
Deferred tax liabilities	-	-	156	690
TOTAL LIABILITIES	5,309,397	5,363,492	5,570,126	5,726,485
EQUITY				
Share capital	253,834	253,834	246,249	246,249
Treasury Shares	(11,422)	(13,064)	(10,458)	(16,990)
Reserves	767,856	809,559	764,047	675,030
Total equity attributable to equity holders of the Bank	1,010,268	1,050,329	999,838	904,289
Non-controlling interests	5,332	4,701	5,103	-
TOTAL EQUITY	1,015,600	1,055,030	1,004,941	904,289
TOTAL LIABILITIES AND EQUITY	6,324,997	6,418,522	6,575,067	6,630,774
COMMITMENTS AND CONTINGENCIES	4,827,601	4,685,117	4,801,020	3,041,684

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**THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE
BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS
DATED 2 SEPTEMBER 2022**

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

Consolidated statements of profit or loss and other comprehensive income

	9-months ended 30 September 2022 RM'000 Unaudited	12-months ended 31 December 2021 RM'000 Audited	12-months ended 31 December 2020 RM'000 Audited	12-months ended 31 December 2019 RM'000 Audited Restated
Operating revenue	543,631	891,491	973,762	651,270
Interest income	162,587	210,372	218,921	244,152
Interest expense	(77,913)	(99,561)	(120,507)	(160,171)
Net interest income	84,674	110,811	98,414	83,981
Net income from Islamic banking operations	10,730	16,828	20,669	17,982
Other operating income	371,796	656,881	707,453	347,400
Net income	467,200	784,520	826,536	449,363
Other operating expenses	(401,934)	(648,490)	(700,163)	(418,187)
Operating profit	65,266	136,030	126,373	31,176
Credit loss (expense)/reversal	(5,150)	(1,900)	(5,852)	15,216
Bad debt recovered	82	513	1,408	3,464
	60,198	134,643	121,929	49,856
Share of results of associates and joint ventures	(1,050)	13,593	12,786	(6,905)
Profit before taxation and zakat	59,148	148,236	134,715	42,951
Taxation and zakat	(17,861)	(29,421)	(32,430)	(16,565)
Profit for the financial period/year	41,287	118,815	102,285	26,386
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income ("FVOCI")	(167)	(529)	902	(666)
Share of other comprehensive income in associates	3,289	6,103	4,801	5,457
Income tax related to the above	40	127	(216)	160
Items that will be reclassified subsequently to profit or loss:				
Foreign exchange differences on consolidation	9,756	2,648	(1,233)	(994)
Fair value (loss)/gain on debt instrument at FVOCI	(13,652)	(18,614)	5,252	11,626
Other comprehensive (loss)/income carried forward:	(734)	(10,265)	9,506	15,583

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 2 SEPTEMBER 2022

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

Consolidated statements of profit or loss and other comprehensive income (cont'd)

	9-months ended 30 September 2022 RM'000 Unaudited	12-months ended 31 December 2021 RM'000 Audited	12-months ended 31 December 2020 RM'000 Audited	12-months ended 31 December 2019 RM'000 Audited Restated
Other comprehensive (loss)/income brought forward:	(734)	(10,265)	9,506	15,583
Income tax relating to the components of other comprehensive income	3,277	4,394	(1,187)	(2,790)
Other comprehensive income/(loss) for the financial period/year, net of tax	2,543	(5,871)	8,319	12,793
Total comprehensive income for the financial period/year, net of tax	43,830	112,944	110,604	39,179
Profit for the financial period/year attributable to:				
Equity holders of the Bank	40,656	118,390	102,082	26,386
Non-controlling interests	631	425	203	-
	41,287	118,815	102,285	26,386
Total comprehensive income attributable to:				
Equity holders of the Bank	43,199	112,519	110,401	39,179
Non-controlling interests	631	425	203	-
	43,830	112,944	110,604	39,179
Earnings per share attributable to equity holders of the Bank:				
Basic (sen)	5.59	16.29	14.56	3.78
Fully diluted (sen)	5.55	15.94	14.18	3.78

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

Consolidated statements of cash flows

	9-months ended 30 September 2022 RM'000 Unaudited	12-months ended 31 December 2021 RM'000 Audited	12-months ended 31 December 2020 RM'000 Audited	12-months ended 31 December 2019 RM'000 Audited
Cash flows from operating activities				
Profit before taxation and zakat	59,148	148,236	134,715	42,951
Adjustment for:-				
Depreciation of property, plant and equipment	8,540	11,714	11,781	10,724
Amortisation of intangible assets				
- software licence	4,671	5,624	5,101	4,305
Amortisation of right-of-use assets	5,985	8,465	8,449	9,769
Lease interest expenses	689	965	1,331	1,236
ESS expenses	303	1,022	2,343	1,733
Credit loss expense/(reversal)	5,150	1,900	5,852	(15,216)
Property, plant and equipment written off	910	231	1	37
Intangible assets written off	-	-	3	-
Bad debts (recovered)/written off	(82)	(513)	53	266
Gain on disposal of a subsidiary	-	(4,729)	-	-
Gain on disposal of an associate	(9,138)	-	-	-
Gross dividend income from investments	(1,301)	(3,654)	(4,040)	(1,384)
Gain on disposal of property, plant and equipment	(114)	(60)	(24)	(23)
Net (gain)/ loss/ from sale of financial assets at fair value through profit or loss and derivatives	(12,710)	46,692	(219,109)	(56,878)
Net gain from sale of financial investments at FVOCI	(20)	(1,580)	(11,217)	(12,072)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	10,922	(148,011)	76,392	17,326
Share of results of associates and a joint venture	1,050	(13,593)	(12,786)	6,905
Operating gain/(loss) before working capital changes	<u>74,003</u>	<u>52,709</u>	<u>(1,155)</u>	<u>9,679</u>

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THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 2 SEPTEMBER 2022

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

Consolidated statements of cash flows (cont'd)

	9-months ended 30 September 2022 RM'000 Unaudited	12-months ended 31 December 2021 RM'000 Audited	12-months ended 31 December 2020 RM'000 Audited	12-months ended 31 December 2019 RM'000 Audited
Decrease/(increase) in operating assets:				
Loans, advances and financing	82,791	91,780	191,339	(46,069)
Other assets	(24,545)	(49,740)	11,889	(19,960)
Statutory deposit with Bank Negara Malaysia	2,673	7,530	40,766	17,455
Balances due from clients and brokers	(33,512)	210,560	(264,580)	16,764
Trust monies and deposits	(92,580)	(67,444)	(135,840)	30,590
(Decrease)/increase in operating liabilities:				
Other liabilities	(116,658)	126,427	124,509	(4,596)
Balances due to clients and brokers	74,082	(54,697)	183,272	55,461
Deposits from customers	5,482	184,893	(1,113,109)	(496,610)
Deposits and placements of banks and other financial institutions	(3,744)	(413,223)	415,367	555,702
Obligations on securities sold under repurchase agreements	61,417	-	-	(83,067)
Cash generated from/(used in) operations	29,409	88,795	(547,542)	35,349
Taxation and zakat paid	(20,534)	(42,807)	(33,159)	(11,473)
Rental/lease payment (interest)	(689)	(965)	(1,331)	(1,236)
Net cash generated from/(used in) operating activities	8,186	45,023	(582,032)	22,640

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

Consolidated statements of cash flows (cont'd)

	9-months ended 30 September 2022 RM'000 Unaudited	12-months ended 31 December 2021 RM'000 Audited	12-months ended 31 December 2020 RM'000 Audited	12-months ended 31 December 2019 RM'000 Audited
Cash flows from investing activities				
Acquisition of subsidiaries net of cash acquired	-	(597)	-	(25,383)
Sale proceeds from disposal of a subsidiary, net of cash	-	5,372	-	-
Sale proceeds from disposal of an associate, net of cash	9,138	-	-	-
Dividend income from investments	1,301	3,654	4,040	1,384
Purchase of property, plant and equipment	(3,220)	(12,230)	(8,332)	(9,143)
Purchase of intangible assets	(5,207)	(11,901)	(8,014)	(4,701)
Proceeds from disposal of property, plant and equipment and intangible assets	114	60	24	23
Additional investment in a joint venture	(1,550)	-	-	(10,000)
Net sale/(purchase) of securities	196,348	158,956	(18,151)	806,475
Net cash generated from/(used in) investing activities	196,924	143,314	(30,433)	758,655
Cash flows from financing activity				
Dividend paid	(77,060)	(64,213)	(22,707)	(7,686)
Rental/lease payments (principal)	(6,005)	(8,360)	(8,023)	(8,341)
Net (repayment)/drawdown of borrowings	(26,400)	69,300	78,800	(22,700)
Proceeds from exercise of ESS	7,180	14,916	5,132	-
Share buy-back	(13,749)	(14,574)	-	(182)
Proceed from new issuance of a subsidiary's share to a non-controlling shareholder	-	-	4,900	-
Net cash (used in)/ generated from financing activities	(116,034)	(2,931)	58,102	(38,909)

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THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 2 SEPTEMBER 2022

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

Consolidated statements of cash flows (cont'd)

	9-months ended 30 September 2022 RM'000 Unaudited	12-months ended 31 December 2021 RM'000 Audited	12-months ended 31 December 2020 RM'000 Audited	12-months ended 31 December 2019 RM'000 Audited
Net increase/(decrease) in cash and cash equivalents	89,076	185,406	(554,363)	742,386
Effect of exchange rate differences	-	-	-	1
Cash and cash equivalents at beginning of financial period/year	1,469,803	1,284,397	1,838,760	1,096,373
Cash and cash equivalents at end of financial period/year	<u>1,558,879</u>	<u>1,469,803</u>	<u>1,284,397</u>	<u>1,838,760</u>
Cash and cash equivalents comprise of the followings:-				
Cash and balances with banks	1,988,393	1,886,965	1,614,205	1,990,155
Deposits and placements with banks and other financial institutions	90,647	10,419	30,329	72,902
Less: Monies and short-term deposits held in trust on behalf of dealers' representatives	(89,305)	(122,029)	(122,522)	(60,201)
Less: Segregated funds from customers	<u>(430,856)</u>	<u>(305,552)</u>	<u>(237,615)</u>	<u>(164,096)</u>
	<u>1,558,879</u>	<u>1,469,803</u>	<u>1,284,397</u>	<u>1,838,760</u>

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THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 2 SEPTEMBER 2022

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

1.7 Material Litigation

We wish to update Section 10.2 – Material Litigation (contained on pages 70 and 71 of the Base Prospectus) and Section 1.8 – Material Litigation (contained on pages 13 and 14 of the First Supplementary Base Prospectus) as follows:

As at 1 December 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, had 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 had transferred a sum of RM3,300,000 into his trust account with KIBB and for purpose of the Share Sale. However, the said Share Sale arrangement did not materialise and the shares had lost value. The Plaintiff claims KIBB is responsible for his losses.

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.

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 Plaintiff filed an appeal on 25 November 2021 to the Court of Appeal against the part of the High Court’s judgment which dismissed his claim against KIBB and the 3rd Defendant (“Trial Appeal”).

At the case management on 16 February 2022, the Court of Appeal directed for the O33 Appeal and the Trial Appeal to be heard together. Both Appeals are now fixed for hearing on 27 March 2023.

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.

THIS SECOND SUPPLEMENTARY BASE PROSPECTUS MUST BE READ TOGETHER WITH THE BASE PROSPECTUS DATED 25 MAY 2022 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 2 SEPTEMBER 2022

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, 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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