



Term Sheet

relating to the offering of up to

100,000,000 European style non-collateralised cash-settled call warrants (“Structured Warrants”) over the ordinary shares of IJM Corporation Berhad (“IJM”) (“IJM Shares”) with entitlement of 5 Structured Warrants : 1 IJM Share at an issue price of RM0.15 per Structured Warrants

Issuer and Liquidity Provider

KENANGA INVESTMENT BANK BERHAD

(Company No.: 15678-H)

*(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Incorporated in Malaysia under the Companies Act, 1965)*

This Term Sheet is published in connection with the offering of the Structured Warrants (as defined above) to be issued by Kenanga Investment Bank Berhad (“**Issuer**”) for the purpose of providing information on the Structured Warrants. This Term Sheet is supplemental to and should be read in conjunction with the Base Prospectus dated 24 July 2009 (“**Base Prospectus**”) and First Supplementary Base Prospectus dated 11 December 2009 which set out the information on the Issuer and the Structured Warrants (as defined in the Base Prospectus).

We may update or amend the Base Prospectus from time to time by way of supplementary documents. You should ask us if any supplement to the Base Prospectus has been issued. The Base Prospectus and any supplement to the Base Prospectus will be available on Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com. These documents will also be available for inspection at our registered office during office hours for a period of twelve (12) months from the date of the Base Prospectus.

You are warned that the price of securities (and potentially along with it, the price of the corresponding Structured Warrants) may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. **YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE BASE PROSPECTUS AND THIS TERM SHEET. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO PAGE 3 OF THIS TERM SHEET AND PAGE 10 OF THE BASE PROSPECTUS FOR RISK FACTORS.**

The Structured Warrants constitute general and unsecured contractual obligations of the Issuer and of no other person. If you purchase the Structured Warrants, you are relying on the creditworthiness of the Issuer and have no recourse/rights against IJM.

The Structured Warrants are to be listed and traded on the Structured Warrants Board of Bursa Securities.

We have applied to Bursa Securities for permission to list and quote the Structured Warrants on the Official List of the Structured Warrants Board of Bursa Securities. As at the date of this Term Sheet, Bursa Securities has granted the said permission.

The date of this Term Sheet is 11 December 2009



KENANGA INVESTMENT BANK BERHAD
Company No. 15678-H

RESPONSIBILITY

OUR DIRECTORS HAVE SEEN AND APPROVED THIS TERM SHEET. OUR DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS TERM SHEET 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 TERM SHEET FALSE OR MISLEADING.

WE ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THIS TERM SHEET CONSTITUTE A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFERING OF THE STRUCTURED WARRANTS ("OFFER").

NOTWITHSTANDING THE FOREGOING, OUR DIRECTORS DO NOT ACCEPT RESPONSIBILITY FOR THE CONTENTS OF INFORMATION ON IJM OR IJM SHARES SAVE FOR THE FACT THAT THE INFORMATION IS AN ACCURATE EXTRACT OF SUMMARY OF RELEVANT PUBLICLY RELEASED INFORMATION.

STATEMENTS OF DISCLAIMER

A COPY OF THIS TERM SHEET HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION ("SC"). THE REGISTRATION OF THIS TERM SHEET SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE STRUCTURED WARRANTS OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS TERM SHEET.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART, IS NOT RESPONSIBLE FOR THE CONTENTS OF THIS TERM SHEET AND MAKES NO REPRESENTATION AS TO THE ACCURACY AND COMPLETENESS OF THIS TERM SHEET. THE SC SHALL NOT BE LIABLE FOR ANY LOSS ARISING FROM OR AS A RESULT OF YOUR RELIANCE ON THIS TERM SHEET.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE OFFER AND THE INVESTMENT IN THE STRUCTURED WARRANTS. IN CONSIDERING THIS 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 ADVISER IMMEDIATELY.

ADMISSION OF THE STRUCTURED WARRANTS TO THE OFFICIAL LIST OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") IS NOT TO BE TAKEN AS AN INDICATION OF OUR MERITS, THE MERITS OF THE OFFER, THE STRUCTURED WARRANTS OR IJM SHARES.

WE HAVE APPLIED TO BURSA SECURITIES FOR PERMISSION TO DEAL IN AND FOR THE LISTING OF AND QUOTATION FOR THE STRUCTURED WARRANTS ON THE OFFICIAL LIST OF THE STRUCTURED WARRANTS BOARD OF BURSA SECURITIES. ANY ALLOTMENT MADE ON AN APPLICATION TO SUBSCRIBE FOR THE STRUCTURED WARRANTS PURSUANT TO THIS TERM SHEET SHALL BE VOID IF THE PERMISSION IS NOT GRANTED BEFORE THE EXPIRATION OF SIX (6) WEEKS FROM THE DATE OF THIS TERM SHEET (OR SUCH LONGER PERIOD AS MAY BE SPECIFIED BY THE SC).

IF BURSA SECURITIES DOES NOT GRANT THE PERMISSION AS MENTIONED ABOVE, WE SHALL REPAY WITHOUT INTEREST ALL MONIES RECEIVED FROM YOU. IF ANY SUCH MONIES ARE NOT REPAID WITHIN 14 DAYS AFTER WE BECOME LIABLE TO REPAY IT, THE PROVISION OF SUB-SECTION 243 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA") SHALL APPLY.

THIS TERM SHEET HAS BEEN REGISTERED WITH THE SC AND LODGED WITH THE REGISTRAR OF COMPANIES. NEITHER THE SC NOR THE REGISTRAR OF COMPANIES TAKES ANY RESPONSIBILITY FOR THE CONTENTS OF THIS TERM SHEET.

OTHER STATEMENTS

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS TERM SHEET IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO 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 ARE RESPONSIBLE.

WE WILL NOT TAKE ANY ACTION TO ENSURE THAT THIS TERM SHEET COMPLIES WITH THE LAWS OF ANY COUNTRIES OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. IT IS YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS ON THE APPLICABLE LAWS THAT YOU ARE OR MIGHT BE SUBJECT TO. NEITHER OUR ADVISER NOR WE WILL ACCEPT ANY RESPONSIBILITY OR LIABILITY IF YOUR APPLICATION BECOMES ILLEGAL, UNENFORCEABLE, VOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

THIS TERM SHEET SUPPLEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS DATED 24 JULY 2009 AND FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 11 DECEMBER 2009. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THE PROVISIONS OF THE BASE PROSPECTUS, FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS TERM SHEET, THE PROVISIONS OF THIS TERM SHEET WILL PREVAIL FOR THE PURPOSE OF THE OFFER.

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INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Structured Warrants on the Structured Warrants Board of Bursa Securities are as follows:-

	Tentative dates
Price-Fixing Date	24 November 2009
Launch of the Structured Warrants	11 December 2009
Allotment of the Structured Warrants	11 December 2009
Listing of the Structured Warrants on the Structured Warrants Board of Bursa Securities	14 December 2009

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DEFINITIONS

All references to “our Company” or “the Issuer” or “KIBB” in this Term Sheet are to Kenanga Investment Bank Berhad (15678-H), references to “our Group” or “KIBB Group” are to our Company and our subsidiaries, and references to “we”, “us” “our” and “ourselves” are to our Company and, except where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the latest practicable date, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

References to “Ringgit”, “Ringgit Malaysia”, “RM” or “sen” are to the lawful currency of Malaysia, and references to a time of day are to Malaysian time, unless otherwise stated. Words importing the singular shall, where applicable, include plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations. References to a “series” of Structured Warrants are to each type of Structured Warrants to be issued by us based on the Base Prospectus and the term sheets to be issued in support of each series of Structured Warrants.

The following terms in this Term Sheet bear the same meanings as set out below, unless the term is defined otherwise or the context otherwise requires:-

Base Prospectus	: Base prospectus dated 24 July 2009 relating to the offering of Structured Warrants to be issued by us, as supplemented by the First Supplemental Base Prospectus dated 11 December 2009
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
Deed Poll	: Deed Poll dated 18 September 2009 executed by us for the Structured Warrants, as supplemented from time to time. The Term Sheet to be issued for the Structured Warrants will form a new schedule in and supplement the Deed Poll
IJM	: IJM Corporation Berhad (104131-A)
IJM Shares	: Ordinary shares of RM1.00 each in IJM
Kenanga	: K & N Kenanga Holdings Berhad (302859-X), our immediate holding company
KIBB	: Kenanga Investment Bank Berhad (15678-H)
KIBB Group	KIBB and its subsidiaries
Listing	: Listing of and quotation for the Structured Warrants on the Structured Warrants Board of Bursa Securities
LPD	: 23 November 2009, being the latest practicable date before the registration of this Term Sheet
Market Day	: A day (other than Saturday, Sunday or public holiday) on which the relevant securities exchanges are open for trading during the normal trading hours in the respective place where the relevant Underlying Shares and Structured Warrants are quoted and traded
Offer	: Our offering of the Structured Warrants

DEFINITIONS

Price-Fixing Date	:	Date on which the exercise level and issue price for the Structured Warrants is to be determined. The Price-Fixing Date is 24 November 2009
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission
Structured Warrants	:	Non-collateralised Structured warrants which we propose to issue as set out in the Base Prospectus, which include American style cash settled warrants on single equity, American style cash settled warrants on a basket of equities, American style cash settled warrants on single index, American style cash settled warrants on exchange traded fund, European style cash settled warrants on single equity, European style cash settled warrants on a basket of equities, European style cash settled warrants on single index, European style cash settled warrants on exchange traded fund and Bull ELS. Reference to "Structured Warrants" may mean any one of the Structured Warrant in this definition
Terms	:	Terms and conditions of the Structured Warrants
Underlying Share	:	IJM Shares
VWAP	:	Volume weighted average price
Warrantholder	:	Holder of the Structured Warrants
Warrant Registrar	:	Symphony Share Registrars Sdn Bhd (378993-D), being the Registrar for the Structured Warrants

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1. TERMS AND CONDITIONS OF THE STRUCTURED WARRANTS

The following is only part of the terms and conditions of the Structured Warrants and should be read together with the terms and conditions of the Structured Warrants set out in the Base Prospectus and the supplemental provisions contained in this Term Sheet, and other term sheets and successor documents issued. Copies of the Deed Poll are available for inspection at our registered office. Warrant holders are bound by and are deemed to have notice of all provisions contained in the Deed Poll.

Issuer	: KIBB
Liquidity provider	: KIBB
Instruments	: Non-collateralised cash-settled call warrants over the IJM Shares
Issue size	: Up to 100,000,000 Structured Warrants
Board lot	: 100 Structured Warrants
Entitlement	: 5 Structured Warrants : 1 IJM Share
Exercise Amount	: The amount of Structured Warrants to be exercised, subject to the minimum of 500 Structured Warrants
Exercise style	: European style, i.e. may be exercised only on the Expiry Date
Exercise Price	: RM4.40 , being 95.03% of the closing price of IJM Shares on the Price-Fixing Date of RM4.63, subject to adjustments in accordance with the provisions of the Deed Poll
Issue price	: RM0.15 , being an amount equal to (i) 16.20% of the closing price of IJM Shares on the Price-Fixing Date of RM4.63, (ii) divided by 5 (being the Entitlement)
Expiry date	: 10 December 2010
Settlement method	: Cash settlement only

The Cash Settlement Amount in respect of the Exercise Amount shall be an amount in cash (if positive), calculated as follows:-

$$\text{Cash Settlement Amount} = \frac{\text{Exercise Amount}}{\text{Entitlement}} \times \frac{1}{1} \times (\text{Closing Price} - \text{Exercise Price}) - \text{Exercise Expenses}$$

The Closing Price is calculated by reference to the Expiry Date Closing Price

Expiry Date Closing Price	: The VWAP of the Underlying Share for five (5) Market Days prior to and including Market Day immediately before the Expiry Date
Implied volatility	: 33.09%
Delta	: 64.10%
Gearing	: 6.17 times
Effective gearing	: 3.96 times
Premium	: 11.20%

1. TERMS AND CONDITIONS OF THE STRUCTURED WARRANTS (Cont'd)

- Automatic Exercise : (a) The Structured Warrants shall be automatically exercised at 9.00 a.m. on Expiry Date if Cash Settlement Amount after deducting all exercise expenses is greater than zero; or
- (b) The Structured Warrants not exercised shall expire immediately at 9.01 a.m. on Expiry Date if Cash Settlement Amount after deducting all exercise expenses is zero or negative and thereafter lapse and cease to be valid for any purposes, and all obligations of the Issuer in respect of the Structured Warrants shall terminate absolutely
- Listing : Structured Warrants Board of Bursa Securities

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2. RISK FACTORS

BEFORE INVESTING IN THE STRUCTURED WARRANTS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS TERM SHEET AND RISK FACTORS AND OTHER INFORMATION CONTAINED IN THE BASE PROSPECTUS.

INVESTMENTS IN THE STRUCTURED WARRANTS INVOLVE DIFFERENT RISKS INCLUDING MARKET RISK, LIQUIDITY RISK, CREDIT RISK AND THE RISK THAT YOU MAY SUSTAIN TOTAL LOSS OF YOUR INVESTMENT IN THE STRUCTURED WARRANTS.

YOU SHOULD CONSIDER CAREFULLY WHETHER THE STRUCTURED WARRANTS ARE SUITABLE FOR YOU TAKING INTO ACCOUNT YOUR EXPERIENCE, OBJECTIVES, FINANCIAL POSITION AND OTHER RELEVANT CIRCUMSTANCES. YOU SHOULD POSSESS ADEQUATE KNOWLEDGE OF THE STRUCTURED WARRANTS BEFORE INVESTING.

2.1 No warranty of thorough investigation on IJM

We make no warranty to have conducted comprehensive and exhaustive research or investigation on the business operations and prospects of IJM. Therefore, you should not assume that the issue of Structured Warrants represents a recommendation by us of investing in IJM Shares.

2.2 Value of Structured Warrants may be affected by inherent risk of IJM's business

IJM is principally engaged in construction and investment holding activities. The principal activities of IJM's subsidiary and associate companies are in construction, property development, manufacturing and quarrying, hotel operations, port operations, tollway operations, plantations and investment holding.

IJM is subject to risks inherent to the abovementioned sectors. You should note that material and adverse impact in the industry in which IJM operates may affect the performance of IJM Shares on Bursa Securities and consequently affect the value of the Structured Warrants.

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3. SUPPLEMENTAL GENERAL INFORMATION

3.1 Basis of arriving at the issue price

The issue price of the Structured Warrants of RM0.15 was based on the option pricing model which takes into account the Exercise Price of the Structured Warrants, volatility of IJM Shares, tenure of the Structured Warrants, expected dividend yield of IJM Shares and interest rates.

3.2 Details on use of gross proceeds

We will use the indicative total gross proceeds arising from the Offer of up to RM15.0 million, based on the issue price of RM0.15, in the following manner:-

	Note	RM
Working capital	(i)	14,750,000
Estimated expenses	(ii)	250,000
Total		15,000,000

Notes:

- (i) *This amount will be utilised for our general working capital purposes during the tenure of the Structured Warrants.*
- (ii) *The estimated expenses include professional fees, fees to authorities, selling fees and printing fees which will be used as and when the expenses are incurred.*
- (iii) *The financial impact of the Offer depends on certain factors including, but not limited to, the performance of IJM Shares vis-à-vis the market as well as the costs relating to risk management i.e. hedging and its associated costs.*

3.3 Liquidity provision

We will be acting as the liquidity provider for the trading of the Structured Warrants on Bursa Securities. The process of market making is set out in Section 5 of the Base Prospectus.

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 stipulated by the Bursa Securities, we will maintain a minimum market presence of 70% and a maximum spread between bid and offer prices of twenty-five (25) spreads. We may undertake further issuance of existing Structured Warrants, depending on market conditions.

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 liquidity provider, we 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 10 board lots (1,000 units of Structured Warrants).

3. SUPPLEMENTAL GENERAL INFORMATION (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 or more of the following events:-

- (i) During the first ten minutes of each trading session or the first ten minutes after the trading commences for the first time;
- (ii) During a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Bursa Securities from time to time;
- (iii) When the Structured Warrants and/or the underlying instrument are suspended from trading for any reason;
- (iv) When there are no Structured Warrants available for market making, in which event, only a bid price will be available. Structured Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Structured Warrants available for market making;
- (v) During the five (5) Market Days immediately preceding the Expiry Date;
- (vi) When an operational or technical problems arises affecting the market making activities;
- (vii) If the stock market experiences exceptional price movement and volatility;
- (viii) If the underlying instrument experiences exceptional price movement and volatility;
- (ix) If a market disruption event occurs;
- (x) When our ability to source a hedge or unwind an existing hedge is materially affected by the prevailing market conditions;
- (xi) If the theoretical value of the Structured Warrants is less than RM0.01; and
- (xii) Any circumstances as may be determined by Bursa Securities and/or are approved by the SC.

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 and Structured Products
Telephone no: 03-2161 4381

3. SUPPLEMENTAL GENERAL INFORMATION (Cont'd)

3.4 Information on IJM

Information on IJM may be obtained from the following sources:-

- (i) IJM's website at www.ijm.com; and
- (ii) Bursa Securities' website at www.bursamalaysia.com.

3.5 Agreement, arrangement and undertaking

As at the LPD, there are no agreements, arrangements or undertaking that are in place between us, Kenanga and our subsidiaries and associated companies, and any substantial shareholders of IJM in relation to the Structured Warrants or have a bearing on the issuance of the Structured Warrants.

3.6 Consent

The Warrant Registrar has given and has not subsequently withdrawn its written consent to the inclusion in this Term Sheet of its name in the form and context in which its name appear.

3.7 Documents for inspection

Copies of the following documents may be inspected at our registered office during office hours for a period of twelve (12) months from the date of the Base Prospectus:-

- (i) Our Memorandum and Articles of Association;
- (ii) Deed Poll;
- (iii) Our audited financial statements for the past three (3) FYE 31 March 2006 to 2009; and
- (iv) The letter of consent referred to in Section 3.6 of this Term Sheet.

3.8 Responsibility statements

We acknowledge that, based on all available information, and to the best of our knowledge and belief, the Base Prospectus and this Term Sheet constitute a full and true disclosure of all material facts concerning the Offer.

Our Directors have seen and approved this Term Sheet. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Term Sheet 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 Term Sheet false or misleading.

Notwithstanding that, our Directors do not accept responsibility for the contents of information on IJM save for the fact that the information is an accurate extract or summary of relevant publicly released information. The only responsibility of our Directors is to ensure that the information is accurately reproduced in this Term Sheet.