

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

This year marks a significant milestone as we proudly commemorate fifty (50) years of Kenanga Investment Bank Berhad (“Kenanga” or “KIBB” or “the Company”), a journey defined by resilience and enduring legacy.

Reflecting upon this half-century, we witness Kenanga and its Group of Companies (“Kenanga Group” or “the Group”) standing the test of time, creating value, and reshaping Malaysia’s investment landscape. As a homegrown brand, our role in democratising investing has empowered ordinary Malaysians to build and generate wealth. Beyond this, our approach is distinguished by a profound sense of responsibility, acknowledging our role as the gateway in helping our clients achieve their financial goals.

A cornerstone of our success is undoubtedly the steadfast support from our stakeholders — shareholders, regulators, trusted business partners and valued clients. Your continuous confidence in us has been instrumental in propelling Kenanga forward throughout the decades, cementing our position as the country’s leading and award-winning independent investment bank. I would like to take this opportunity to extend my heartfelt gratitude for the enduring trust bestowed upon us. This trust serves as a beacon, inspiring us to continually strive for excellence.



OVERVIEW

This year has proven to be noteworthy for the Group. Despite challenges posed by the global environment such as inflationary pressures which led to high interest rate, as well as the lingering impact of the pandemic and geopolitical conflicts, the Group achieved commendable results. We are pleased to report a Revenue of RM821.1 million and a Profit Before Tax (“PBT”) of RM88.1 million, with Net Profit standing at RM72.8 million.

In consideration of these results, the Board is delighted to declare a dividend of 7.00 sen per share, totaling dividend payable of RM51.5 million for Financial Year Ended 31 December 2023 (“FY2023”).

UPHOLDING GOOD GOVERNANCE

At the core of Kenanga Group’s operations is a persistent focus on maintaining the highest standards of good governance. In 2023, our Whistleblowing Policy was refined to include a comprehensive Speak Up Framework and a Speak Up Policy that lays the foundation for the Framework and provides, among others, assurance

to all relevant stakeholders, both internal and external, of the safeguards accorded when making a report in good faith and that all reports will be handled objectively and impartially. Complementing this, an independent whistleblowing solutions provider was appointed to implement Conduct Watch, a secure and confidential channel for whistleblowing.

In parallel, our annual flagship initiative, the Fraud Awareness Week (“FAW”), has reached its seventh (7th) year. What started off as an in-house campaign has expanded to a widely embraced industry-wide initiative, attracting over 2,300 delegates this year from regulatory bodies, public listed companies, and professional bodies, as well as our internal staff. The consistent surge in participation not only attests to the relevance of the event, but also accentuates its profound impact. This year, for the first (1st) time, we also collaborated with the esteemed Faculty of Law, University of Malaya (“UM”), on a Fraud Awareness Talk session aimed at enhancing awareness of fraud prevention and detection within the local community, particularly among the students of UM’s Law Faculty. The collaborative effort signifies our dedication to broadening the scope of FAW, fostering a culture of vigilance and ethical conduct in the fight against fraud.

 A full account of our efforts can be found in the Ethics and Compliance Statement on pages 98 to 110 of this Annual Report.



CHAIRMAN'S MESSAGE

SUSTAINABILITY AND CLIMATE ACTION

The Group's commitment to sustainability is not only expressed through our Sustainability Framework, but it is also reinforced by a three (3)-year Roadmap – a strategic guide encompassing specific goals and targets aimed at progressing our Environmental, Social and Governance ("ESG") performance.

For 2023, there was a particular emphasis on climate action as we have diligently ensured our readiness to meet regulatory timelines for incorporating climate risk management and considerations into the Group's operations. As part of our commitment to further embed and solidify sustainability leadership at the Board level, we updated and expanded the Board Charter and Terms of Reference of the Board Committees to formalise Board oversight on matters relating to climate-related risks, underscoring our dedication to not only addressing current challenges, but also fostering a climate-resilient business ecosystem.

In terms of achieving energy efficiency, we proudly emerged as the winner of the 'Energy-Efficient Building in Retrofitted Building' category at the prestigious National Energy Awards 2023. This landmark recognition, presented by the Ministry of Natural Resources, Environment, and Climate Change in collaboration with the Malaysian Green Technology and Climate Change Corporation, signifies the culmination of years of dedicated effort. Since 2021, we have been proactively managing our environmental impact, integrating sustainable practices in our value chain, and incorporating technological solutions into our operations. This journey has led us to optimise the energy efficiency of our building, undertaking significant measures such as overhauling our air conditioning and air handling unit system, coupled with the installation of energy-efficient lighting throughout the premises.

As a measure of progress, we have not only maintained our inclusion in the FTSE4Good Bursa Malaysia Index, but our score was also elevated from 3.7 to 4.0. This recognition affirms our continuous focus on sustainability and responsible business practices, emphasising our pursuit of prosperity while creating positive impact for people and the planet.

Further details on our sustainability efforts can be found by scanning the QR code here.



SCAN HERE

**PEOPLE AND COMMUNITIES**

Within the organisation, our commitment to community enrichment is deeply ingrained in a history of philanthropy and outreach initiatives. The year saw active support from our employees towards a myriad of volunteering activities, from emergency relief assistance during the devastating floods in Johor, to the distribution of almost 800 meals to the homeless, a blood donation drive at our headquarters, as well as supporting the children in need of Pertubuhan Rahoma Darul Fakir Malaysia. Collectively, these outreach initiatives made a meaningful impact, touching the lives of over 2,700 individuals.

Beyond this, we continue to partner social enterprises, namely Silent Teddies Bakery and Dialogue Includes All (“DIA”) Academy, with whom we have fostered meaningful collaborations over the past twelve (12) years. Their advocacy for dignity, entrepreneurial spirit and a self-starter mindset mirrors our very own culture of empowerment and resilience at Kenanga Group.

In addition to being consistent patrons of the baked goods from Silent Teddies Bakery, an establishment run by hearing-impaired youths, we have also been actively supporting their expansion and renovation efforts that have been ongoing in recent years. In 2024, the humble bakery will be transformed to include a well-equipped learning centre for the hearing impaired, as well as a café that will cater to a broader audience. Witnessing their remarkable progress, especially as they grow their business, fills us with pride, highlighting the distance they have covered since our initial collaboration.

In tandem, our alliance with DIA reflects our dedication towards inclusivity. DIA, beyond being a café, is an exhibition space advocating for people with disabilities. During the year, in collaboration with DIA Academy, our asset management arm, Kenanga Investors Berhad, organised immersive empathy workshops for their teams and network of financial advisers. Led by visually impaired trainers from DIA Academy, these workshops, conducted in darkness, encompassed empathy theories and activities aimed at reshaping awareness, fostering deeper appreciation, and breaking down barriers between abled and disabled communities.

THE YEAR AHEAD

For 2024, it is undeniable that we will be confronted with another set of challenges that will test our resilience and strategic acumen. Despite the hurdles ahead, our outlook is one of cautious optimism. While there are expectations that there will be a pause and eventual return to a lower interest rate environment which will be beneficial to the business, we are aware that other challenges exist. This includes slower global economic growth, the prospect of ongoing geopolitical conflicts disrupting global supply chains again, and China's sluggish economic recovery.

In the face of prevailing uncertainties, the Group will continue to be unwavering in its commitment to fostering collaborative partnerships with all stakeholders, driving innovation through the way we approach our business, as well as advocating sustainability in the marketplace. I am confident that these guiding principles will hold us in good stead, as we navigate the intricacies of the coming year.

ACKNOWLEDGEMENTS

I want to extend my heartfelt appreciation to YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, the Founder Emeritus and Adviser of Kenanga Group and to my fellow Board members.

This expression of gratitude is particularly poignant as we celebrate our fiftieth (50th) anniversary, and recognise the support and wisdom of the stalwarts who have been instrumental in shaping the enduring success of Kenanga Group.

Additionally, my deepest thanks go to the dedicated Management and employees of Kenanga Group. Their exceptional service and tireless commitment have further solidified and enriched the values that define the essence of Kenanga Group.

Finally, I extend my appreciation to our esteemed clients, business partners, suppliers, and shareholders for entrusting the Group. A special acknowledgment goes to Bank Negara Malaysia, Bursa Malaysia Berhad, and the Securities Commission Malaysia for their invaluable advice and steadfast support.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL CHAIRMAN