

CHAIRMAN'S MESSAGE



DEAR SHAREHOLDERS,

Marked by turmoil arising from the Russia-Ukraine conflict, high inflation and aggressive interest rate hikes, as well as looming concerns of recession, 2022 could perhaps be characterised as one of the most turbulent of years.

However, I am proud to say that through these challenges, Kenanga Investment Bank Berhad and Its Group of Companies ("**Kenanga Group**" or "**the Group**") demonstrated immense resilience, agility and adaptability that allowed the Group to continue making significant strides in pursuit of sustainable growth. The Group ended the year with a Revenue of RM723.1 million and a Profit Before Tax ("**PBT**") of RM74.2 million. Net profit stood at RM55.4 million.

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On the strength of these results, the Board is pleased to declare a dividend of 6.0 sen per share, amounting to dividends payable of RM43.6 million for FY2022.

In the Management Discussion and Analysis, Group Managing Director, Datuk Chay Wai Leong will cover a comprehensive overview of the Group's activities and performance. However, it is imperative that I highlight here, that the growth of Kenanga Group is not just limited to financial gains, but also encompasses a broader commitment towards making a positive difference to our people, communities and environment.


Sustainability in Motion

Recent years have seen the Group accelerating its sustainability agenda and placing Environmental, Social and Governance ("ESG") considerations as part of its decision-making processes. Our commitment to sustainability is a key part of our growth story and has become one of the characteristics of the Kenanga brand.

Over the course of 2022, I am proud to share that we made tremendous progress on the ESG front, which culminated in Kenanga Investment Bank Berhad's inclusion onto the FTSE4Good Bursa Malaysia Index in December 2022. With that, we now join the 10% of public listed companies in Malaysia included on this index that is based on global ESG standards and benchmarks. Designed by global index provider FTSE Russell, the inclusion is a welcomed validation of our commitment to sustainability and responsible business practices.

In the same year, we were heartened to receive multiple accolades at the UN Global Compact Network Malaysia & Brunei Sustainability Performance Awards, an event initiated to recognise continuous ESG efforts by its member participants. Kenanga Group was commended for our innovative approach to product development that integrates financial growth with social and community impacts; efforts in fostering partnerships and collaborations for financial inclusion; and raising awareness on sustainability issues. It was an honour to share the stage with some of the prominent sustainability stalwarts in the industry and take stock of how far we have come in a short period of time.

As we move forward, the Board is dedicated to reinforce our sustainability agenda. We have developed a Three (3)-Year Sustainability Roadmap with specific goals and targets to strengthen our ESG footing, amplify our ESG impact, and improve our sustainability standards. Our steadfast commitment to sustainability will continue to guide our business as we work to create a better future for all.


 More information on our sustainability efforts can be found in our Sustainability Report 2022.

Promoting Ethics and Good Governance

In FY2022, Kenanga Group held its sixth (6th) annual Fraud Awareness Week, which was held in conjunction with the International Fraud Awareness Week organised by the US-based Association of Certified Fraud Examiners. The event served as a platform to raise awareness on the importance of fraud detection and the need for a strong anti-fraud and anti-corruption culture.

This year's theme, 'Reaffirming Ethical and Moral Resilience for Good Governance', was highlighted through presentations and activities that engaged industry players and individuals. The event drew a record number of participants demonstrating the growing interest and commitment to combating fraud and corruption.

In line with our commitment to ethics and good governance, Kenanga Group continues to invest in internal programmes and training to deepen our employees' understanding of ethical conduct and corporate governance. Over the past two (2) years, employees have undergone more than 16,000 training hours in areas such as ethics, governance, and compliance. Anticipating what lies ahead, we remain committed to building a strong and resilient financial ecosystem through our efforts to combat fraud and corruption, and our continued investments in ethical and governance programmes.

 Further information about our efforts in this area can be found in the Ethics and Compliance Statement on page 97 of this Annual Report.

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EMPOWERING PEOPLE AND COMMUNITIES

Amid the ongoing effects of the COVID-19 pandemic and its impact on society, we are acutely aware of the growing social and community needs facing Malaysians, particularly those who are most marginalised. During the year, we supported seven (7) organisations via eight (8) projects. We launched the 'Meals That Give' campaign with the aim of rallying public support for our long-term social enterprise partner 'Café Includes', a café operated by people with disabilities. Through this campaign, Malaysians were able to pledge meals for distribution to the underprivileged, with Kenanga matching each pledge one-for-one. In total, we raised over 2,700 meals for vulnerable communities in FY2022.

Within the organisation, we are committed to prioritising the wellbeing and development of our employees, recognising that they are our most valuable asset. We believe in fostering a workplace culture that supports and encourages our employees to reach their full potential, both personally and professionally. Broadening our view on workplace safety, we are embracing employee mental and emotional wellbeing in addition to physical health. During the year, we kickstarted programmes on mental wellness, with the aim to reduce the stigma of mental-health issues and reinforce a safe and supported workplace for our employees.



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THE COMING YEAR

This coming year, we will be celebrating Kenanga's 50th anniversary as a proud home-grown brand that has evolved from a humble stockbroking company to the country's leading independent investment bank. Over the years, we have dedicated to providing exceptional services to our clients, helping them grow their wealth and achieve their financial goals.

While we are keenly aware of the significant uncertainties and complexities that continue to persist around the world, particularly with regards to the ongoing geo-political events, supply chain disruptions and escalating inflation, the Board of Directors ("**Board**") is confident that the Group's fortitude, resourcefulness and resilience – its hallmarks that have been honed through the decades – will enable it to navigate the waters.

Our journey thus far has been driven by constant innovation and a commitment to staying ahead of the curve. As we enter our next fifty (50) years, we renew our ambition to deliver best possible solutions and services that are inclusive, meaningful and beneficial to our stakeholders, and to do what it takes to further fortify our foundation, upon which we will continue to spur growth and prosperity, in the years to come.

BOARD MOVEMENT

On behalf of the Board, I would like to express our gratitude to Mr. Luigi Fortunato Ghirardello ("**Mr. Ghirardello**") who retired as Non-Independent Non-Executive Director of Kenanga Investment Bank Berhad in May 2022. Throughout his tenure of thirteen (13) years on the Board, he has provided invaluable guidance, ideas and dedication to the organisation and we are grateful for his contribution. Mr. Ghirardello continues to serve as Chairman of Kenanga Futures Sdn Bhd, a wholly-owned subsidiary of Kenanga Investment Bank Berhad. We extend our best wishes to him for all his future endeavour.

I would also like take this opportunity to extend a very warm welcome to Madam Chin Siew Siew, who joined our Board in June 2022. She brings to the Board three (3) decades of experience in the digital and technology industry which comes at an excellent time for the Group's digital strategy. She has served as Country Chief Digital Officer at IBM where she was also ASEAN Services Leader for IBM Multivendor Business. In that capacity, she oversaw the establishment of the IBM Malaysia Centre of Digital Excellence, which connects start-ups, investors, technology partners and government stakeholders. We very much look forward to her contribution to Kenanga Group as we move forward on our digital journey and transformation.

APPRECIATION

I would like to express appreciation to Kenanga Group Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail. Her friendship and trust have always been a wonderful source of inspiration for myself and for all of us at Kenanga Group.

I would also like to thank my colleagues on the Board for their support and advice throughout the year, as well as the Management and employees of Kenanga Group. Their exemplary service and dedication in these challenging times have deepened and enriched the values that continue to define the Kenanga Group as a whole.

Finally, I wish to convey my appreciation to our valued clients, business partners, suppliers and shareholders for their trust in the Group, as well as to Bank Negara Malaysia, Bursa Malaysia Berhad and Securities Commission Malaysia for their advice and support.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Chairman