



**PRESS RELEASE
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KENANGA GROUP ANNOUNCES Q1 2019 FINANCIAL RESULTS

Kuala Lumpur, 24 May 2019: Kenanga Investment Bank Berhad (“The Group” or “Kenanga”) today announced its financial results for the first three (3) months ended 31 March 2019 (“Q1 2019”).

The Group registered a Profit Before Tax (“PBT”) of RM11.0 million for Q1 2019, supported by higher management fee income from its asset management business, higher trading and investment gain from government securities, as well as, reversal of credit loss expenses. The PBT recorded this time last year of RM23.6 million was higher, due to a significant one-off debt recovery of RM12.0 million.

Bursa Malaysia trading volumes contracted to 339.2 billion in the first quarter of 2019, from 398.8 billion during same period last year. This resulted in lower net brokerage income and net trading income for the Group’s Equity Broking business which consequently led to lower operating profit, and PBT. Despite the difficult market conditions, the Group’s equity broking market share rose 0.4% to 8.96% for Q1 2019, which is a positive indication of its continued growing position in the marketplace.

Kenanga also recorded reversal of credit loss expense in the current quarter amounting to RM4.9 million. This is in contrast to the credit loss expense of RM30.2 million that was incurred in Q4 2018 that caused the immediate preceding quarter to register a Loss Before Tax of RM9.4 million.

“With global uncertainties and the expected moderation of domestic economic growth, the current financial year is a challenging one for our industry. Kenanga’s continued focus on innovation, digitalisation and productivity, as well as, the commitment from our people will remain our greatest assets as we weather these headwinds,” said Datuk Chay Wai Leong, Group Managing Director of Kenanga.



For more information on Kenanga Group, please visit www.kenanga.com.my.

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About Kenanga Investment Bank Berhad (15678-H)

Established for more than 40 years, Kenanga is a financial group in Malaysia with extensive experience in equity broking, investment banking, listed derivatives, treasury, investment research, corporate advisory, Islamic banking, wealth management and investment management. Today, we are an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation and digitalisation in the marketplace.

We are the largest independent investment bank* by equity trading volume and value, as well as is one of the top brokerage houses with the largest network of remisiers in the country. Our clients also enjoy convenience through more than 30 locations throughout Malaysia.

In addition, Kenanga Futures Sdn Bhd is an award-winning Malaysian listed derivatives broker regulated under the Securities Commission Malaysia and Bursa Malaysia Berhad. The company offers clients electronic market access to trade listed products on Bursa Malaysia Derivatives and CME Group. Apart from being a direct member of Bursa Malaysia Derivatives Berhad and the clearing house, the company is also a registered broker with the U.S. CFTC and was granted exemption relief pursuant to Commission Regulation 30.10 which enables the company to paper directly with entities in the U.S. On the domestic front, the company has an extensive network with 24 branches nationwide licensed to trade listed derivatives.

Kenanga Investors Berhad ('KIB') is a wholly-owned subsidiary of Kenanga Investment Bank Berhad, the largest independent investment bank by equity trading value and volume. KIB is licensed to perform regulated activities of fund management dealing in securities (restricted to unit trust), investment advice, financial planning, and dealing in Private Retirement Scheme ('PRS') under the Capital Markets and Services Act ('CMSA') 2007. KIB provides investment solutions ranging from collective investment schemes, portfolio management services as well as segregated private mandates and alternative investments for retail, corporate and institutional clients.

KIB prides itself on its reputation for its consistently top performing funds. Fundsupermart.com Recommended Unit Trusts Awards 2018/2019 recognised Kenanga Growth Fund under the 'Core Equity – Malaysia' category for the 9th consecutive year while Kenanga Balanced Fund had its inaugural win under the 'Balanced – Malaysia' category. For the third consecutive year, KIB was affirmed an investment manager rating of IMR-2 by Malaysian Rating Corporation Berhad. The IMR rating on KIB reflects the fund management company's well-established investment processes, sound risk management practices and strong operating track record. KIB was awarded the Transparency Award 2017 at MARC's 2017 Lead Managers League Table Awards, a first for the fund management industry. At the Morningstar Awards 2019, the 'Best Malaysia Large-Cap Equity Fund' title was awarded to Kenanga Blue Chip Fund while the KLIFF Islamic Finance Awards 2019 named Kenanga Syariah Growth Fund the 'Most Outstanding Islamic Fund Product'.

Most recently, the Hong Kong-based Asia Asset Management's 2019 Best of the Best Awards awarded KIB under the 'Malaysia Best Equity Manager', 'Malaysia Best Wealth Management Platform' and 'Malaysia Best Investor Education' categories. At the KWAP External Fund Manager Awards, KIB was awarded the 'Best Domestic Conventional Equity 2017' in its capacity as fund manager.

** year to date based on Bursa Malaysia's Participating Organisations (POs) Trading Summary.*

This Press Release was issued by Kenanga Group's Marketing & Communications department. For more information, please contact:

Chuah Sze Phing
Head
Group Marketing & Communications
DID: +603 – 2172 2918
Email: szephingchuah@kenanga.com.my

Muhammad Khumeini bin Hairudin
Assistant Vice President
Group Marketing & Communications
DID: +603 – 2172 2917
Email: khumeini@kenanga.com.my