

**PRESS RELEASE
FOR IMMEDIATE RELEASE****Kenanga Investment Bank Posts RM723.1 Million Revenue and RM74.2 Million Profit Before Tax****Declares Dividend of 6.00 sen per share**

Kuala Lumpur, 24 February 2023: Kenanga Investment Bank Berhad (“**Kenanga**” or “**The Group**”) recorded revenue and profit before tax (“**PBT**”) of RM723.1 million and RM74.2 million respectively for the financial year ended 31 December 2022 (“**FY22**”). Net profit stood at RM55.4 million while return on earnings was 5.3% for the year.

The Board is pleased to declare a dividend of 6.00 sen per share, amounting to dividends payable of approximately RM44.1 million for FY22.

“2022 was one of our best financial years within a decade and a record year for our asset management business,” remarked Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad. “In spite of severe headwinds, we continue to deliver healthy returns to our shareholders through the strength of our diversification strategy and the resilience and agility of our people.”

The year was shaped by intense geopolitical conflicts, and aggressive rate hikes, compounded by concerns of economic recession, which drove valuation contractions for equity markets around the world, and sending major bourses into tailspins. Trading Volume on Bursa Malaysia declined by 49.1%, while Trading Value contracted by 40.8%. Against this backdrop, Kenanga’s Stockbroking division reinforced its pole position as the largest and fastest-growing retail stockbroker in the market, buoyed by its expanding retail market share that rose to 27.0%, from 24.2% same time last year.

“Our Asset and Wealth Management division delivered record-breaking profits, while our Listed Derivatives business achieved a successful turnaround,” added Datuk Chay. “These wins, underpinned by measures to enhance efficiencies and prudence, moderated the uncertainties and decline in the equities market.”

The Group's Asset and Wealth Management business recorded significant jump in both revenue and PBT for FY22, with a 36.3% increase in revenue of RM241.4 million and a 55.3% increase in PBT of RM54.2 million. The success was attributed to higher contributions from alternative products, and the division saw a 13.2% increase in assets under administration to RM21.3 billion in FY22.

The Group's Listed Derivatives business also had a strong year, with a higher revenue of RM20.9 million, up 28.6% attributable to higher trading activities and higher interest income generated. The segment recorded a PBT of RM2.1 million for the current year, a turnaround from a loss before tax of RM1.8 million the previous year.

Its Investment Banking business registered an increase in revenue of RM189.6 million in FY22, in comparison to the revenue of RM179.8 million in the previous year, while PBT dipped slightly to RM15.8 million against RM20.6 million in FY21 due to lower net interest income and higher operating expenses and credit loss expenses.

"We forecast a GDP growth of 4.3% for 2023 as economic expansion continues, underpinned by several factors including lower political risk, strong private spending, the beneficial effect of China's easing of its zero-COVID policy, as well as a further uptick in tourism activity supporting the revival of the services sector, and further improvements in labour market conditions," added Datuk Chay.

"We are cautiously positive about Kenanga's 2023 outlook, and are committed in our efforts to continue promoting innovation, digitalisation, and sustainability in the marketplace," concluded Datuk Chay.

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About Kenanga Investment Bank Berhad (197301002193 (15678-H))

Established for more than 45 years, Kenanga Investment Bank Berhad (the Group) is a financial group in Malaysia with extensive experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, investment management, wealth management, structured lending and trade financing with strong foundations in regulatory compliance and risk management.

An innovative and established home-grown brand, the Group's digital ambition includes building a robust digital ecosystem that meets the needs of its clients and businesses. Some of its game-changing products includes Malaysia's fully online digital stockbroking platform Rakuten Trade and a fully A.I. robo-advisor, Kenanga Digital Investing. The Group also launched Malaysia's first securities broking e-wallet, Kenanga Money, paved the way in AI-led Quan and algorithmic trading, kick-started a revolutionary supply chain financing solution for SMEs and made inroads into the digital assets space through its investment in Tokenize Technology (M) Sdn.Bhd.

The Group has garnered a host of awards and accolades reflecting its strong market position. It was awarded under the categories of Highest Returns to Shareholder Over Three Years, Best Overall Equities Participating Organisation by Bursa Malaysia, Best Overall Derivatives Trading Participant, Best Structured Warrant Issuer, Best Retail Equities Participating Organisation, Best Institutional Equities Participating Organisation Investment Bank; along with Best Trading Participant and Best Institutional Equities Participating Organisation and for Equity and Financial Derivatives for 18 consecutive years. The Group was also accorded the title of Best Institutional Derivatives Trading category by Bursa Malaysia.

The Group continues to be a regular and repeat recipient of distinguished industry accolades, such as the Lipper, Fundsupermart and Morningstar awards. Rakuten Trade, Malaysia's first fully digital securities broker in 2017 via a joint venture with Japanese fintech giant Rakuten Securities Inc was also named Malaysia's fintech company of the year in 2018 by the Malaysian Communications and Multimedia Commission (MCMC). For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted Company of the Year award for environmental and sustainability at Sustainability & CSR Malaysia Awards 2021. The Group is also a Participant of the United Nations Global Compact and adheres to its principle-based approach to responsible business.

Today, Kenanga Investment Bank Berhad is an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation, digitalisation and sustainability in the marketplace.

This Press Release was issued by Kenanga Group's Marketing, Communications & Sustainability Department.

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