

## CHAIRMAN'S MESSAGE



### Dear Shareholders,

The year 2025 was characterised by continued uncertainties across global markets, shaped by geopolitical tension and shifting trade and tariff policies. Volatility persisted as rapid economic, technological and regulatory developments continued to redefine how financial institutions operate and compete.

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*Chairman/ Independent Non-Executive Director*

Within this context, the ASEAN region demonstrated relative resilience. Structural strengths—including favourable demographics, regional supply chain repositioning and emphasis on sustainability and digitalisation, provided momentum even as global headwinds endured. As Malaysia assumed the ASEAN Chairmanship in 2025, the region advanced several integration priorities, including steps towards the ASEAN Economic Community Strategic Plan 2026–2030, focused on strengthening economic cooperation, improving regulatory alignment and supporting a more interconnected regional marketplace. Underpinned by these dynamics, Malaysia saw steady domestic economic activity supported by policy continuity and targeted reforms, although market participants remained cautious in view of external risks.

Against this backdrop, Kenanga Investment Bank Berhad ("**Kenanga**" or "**KIBB**" or "**the Company**") and its Group of Companies ("**Kenanga Group**" or "**the Group**") navigated the year with a clear emphasis on resilient stewardship and sound governance. Our priorities remained anchored in safeguarding institutional integrity, maintaining strong oversight and ensuring that decision-making continues to be guided by discipline rather than short-term sentiment.

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**Overview**

Amid a demanding operating environment, performance for the year reflected the realities faced by the Group. For the financial year ended 31 December 2025 ("FY2025"), the Group recorded Revenue of RM865.3 million, with a Profit Before Tax and Zakat of RM73.6 million and a Net Profit of RM50.0 million. These outcomes were shaped by softer market activity, more selective market participation and cumulative effects of prolonged volatility across capital markets.

Despite lower earnings, the Group continued to operate from a position of balance sheet strength. Capital adequacy and liquidity positions were maintained at prudent levels, providing stability through the cycle and flexibility for future opportunities.

In line with this performance, the Board is pleased to declare a dividend of 5.0 sen per share for FY2025.

**Championing Trust and Integrity**

The Group's commitment to strong corporate governance remains fundamental to building long-term resilience and stakeholder confidence. Guided by a robust governance framework and a culture of accountability, the Group continues to uphold highest standards of transparency and ethical conduct. In 2025, Kenanga Group was once again recognised by the Minority Shareholders Watch Group, marking the second consecutive year in which it received top honours—Top 20 Overall Excellence and the Niche Cap Excellence at the prestigious National Corporate Governance and Sustainability Awards. These accolades reflect the outcome of a comprehensive evaluation encompassing governance quality, sustainability practices and Board effectiveness, benchmarked against globally recognised best-practice standards. While the awards stand as industry recognition, they also affirm the Board's ongoing commitment to principled stewardship, disciplined governance and thoughtful oversight.

During the year, the Group continued to champion integrity and ethical behaviour through awareness and engagement. The annual Fraud Awareness Week and Compliance Awareness Week were rolled out to strengthen internal vigilance while fostering dialogues with industry leaders and practitioners. These programmes deepen organisational understanding of fraud risks, regulatory expectations and compliance responsibilities, further instilling a culture of principled conduct.

As the Group continued to elevate the quality and transparency of its corporate reporting, it was honoured with the Gold Award at the National Annual Corporate Report Awards, and the Silver Award for Asia's Best Integrated Report at the Asia Integrated Reporting Awards. These distinctions affirm the commitment and emphasis we place on delivering clear and meaningful disclosures, with integrity in presenting both financial and sustainability performance.

**Driving Sustainable Impact**

In 2025, the Board continued to advance sustainability as a driver of strategic strength and long-term value creation. While sentiments on Environmental, Social and Governance ("ESG") topics may have appeared polarised globally, ASEAN in particular, has continued to stay the course, resolute in blending scientific rigour with pragmatic transition pathways suited to the region's diverse economies. The Group continues to maintain this same focus, recognising sustainability as the intersection of growth, inclusion, risk management and decarbonisation.

A key development during the year was the introduction of the Kenanga Group Sustainability Risk Management Framework, providing a structured approach to identifying and managing sustainability-related risks and opportunities. Complementing this, the Decarbonisation Roadmap outlines the Group's strategy for reducing emissions and addressing transition risks while maintaining operational efficiency. During the year, we initiated installation of solar panels, electrification of company-owned vehicles and the transition of our headquarters, Kenanga Tower, to green electricity under the TNB Green Energy Scheme. Kenanga Tower now operates 90% on green energy, a significant milestone in lowering the Group's operational carbon footprint.

At the same time, preparations also commenced for the forthcoming National Sustainability Reporting Framework alignment, ensuring disclosures evolve in line with national and global expectations. These efforts reflect the progress that will inevitably lead to higher standards of transparency, comparability and accountability, reinforcing the Group's long-standing commitment to reporting excellence.

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Furthermore, 2025 marked the launch of ThinkIMPACT, a sustainability campaign themed "Leading with Purpose, Inspiring Sustainable Impact". Through interactive panels and workshops, employees developed a deeper understanding of sustainability issues and skills to develop compelling narratives on the Group's sustainability initiatives and ambitions. Supplier and vendor workshops were also introduced to enhance understanding of supply chain expectations. The campaign further strengthened internal ownership, as well as ensured efforts that inspire action reach across all stakeholders.

These strides, which kept us on track, charted not just progress but also recognition for the Group. As in previous years, we frequently found ourselves among industry leaders across various sectors, receiving commendations for the work we continue to build on together. In 2025, we were awarded by esteemed bodies such as The Edge, The Star, the United Nations Global Compact Network Malaysia & Brunei, Euromoney, Asia Asset Management and ESG Business, affirming the Group's commitment and progress in sustainability.

### Empowering People and Communities

During the year, investment in the Kenanga Emerging Leadership Programme, aimed at deepening management capability and reinforcing succession planning, remained central to our performance management priorities, supporting the organisation's readiness for future growth.

Fostering an engaged and connected workforce also remained a priority. Throughout the year, a range of initiatives—including team-building, festival-themed engagements, wellness-focused programmes and professional development opportunities—supported collaboration, belonging, and a shared sense of purpose, cultivating a motivated workforce that plays an active role in shaping the Group's culture and performance.

This same commitment to empowerment extends to the communities we serve. The Group's approach to social impact is rooted in a long-standing philosophy of supporting social enterprises and marginalised communities through sustained partnerships. Over the past decade, Kenanga Group has delivered meaningful and measurable change, contributing over RM1 million to community-focused initiatives and positively impacting the lives of over 10,000 individuals through programmes that promote inclusion.

The Group continues to support Dialogue Includes All, a social enterprise which advocates for an inclusive society between the abled and disabled. Through this partnership, our employees gain exposure to the lived experiences of persons with disabilities, reinforcing the Group's commitment to accessibility.

Similarly, the Group's ongoing partnership with Silent Teddies Bakery, a social enterprise operated by hearing-impaired youth, supports economic participation within underrepresented communities. Our role in enabling the set-up of its expanded facilities, which now includes a learning centre, training workshop and bakery café, illustrate how sustained collaboration can help scale impact and broaden access to skills development and income-generating opportunities.

Employee volunteerism and employee-led contributions continued to shape the Group's social impact agenda in 2025. During the year, employees rallied together to support Pertubuhan Rahoma Darul Fakir Malaysia, an all-female orphanage housing girls aged seven (7) to seventeen (17), through a Back-to-School donation drive for essential school supplies and full-year sponsorship of school transportation. The Group also deepened its engagement with Pertiwi Soup Kitchen, where employees helped prepare and distribute meals to the homeless.

Together, these initiatives reflect a social responsibility philosophy centred on continuity, collaboration and the development of human potential.

### Looking Ahead

For over five (5) decades, the Group has navigated both strong markets and challenging cycles, each reinforcing our resolve and deepening our understanding of the industry. In a year that tested confidence, our long-held principles of prudence, consistency and practicality have helped sustain trust and keep us committed to value creation over the long run.

The operating environment will continue to present both challenges and opportunities. Guided by prudent stewardship, strong governance, and strategic oversight, I am confident, that the Group is well-positioned to navigate evolving dynamics and make the most of emerging opportunities.

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As we shape the course ahead, Kenanga Group will continue to build on its core capabilities, advance digital initiatives, embed sustainability more deeply into the way we work, as well as invest in the development of our people to drive long-term performance. In doing so, the Group remains adaptable, forward-looking, and committed to delivering meaningful outcomes for shareholders and stakeholders alike.

**Board Movement**

In November 2025, Mr. Luk Wai Hong, William ("**William**") retired from the Board as a Non-Independent Non-Executive Director, concluding more than a decade of dedicated service since his appointment in 2013. During his tenure, William played an integral role on the Group Board Risk Committee and the Group Board Digital Innovation & Technology Committee, providing guidance that strengthened governance and strategic direction.

His insights, experience and unwavering commitment have been invaluable in shaping the Group's approach to risk management, digital innovation, and sustainable growth. On behalf of the Board, we extend our sincere gratitude for his counsel, professionalism and significant contributions. We wish him continued success in his future endeavours.

**Acknowledgements**

On behalf of the Board, I extend my sincere appreciation to our Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, whose vision continues to guide our journey. I also thank my fellow Board members for their guidance and dedication throughout the year.

To our Management team and employees, your commitment, professionalism and innovation have been central to the Group's performance. Your efforts in advancing initiatives that strengthen our foundations are truly appreciated.

To our valued clients, business partners, suppliers and shareholders, thank you for your continued trust and support. I also extend my gratitude to our regulators, including Bank Negara Malaysia, Bursa Malaysia Berhad and the Securities Commission Malaysia, for their steady guidance and collaboration.

Together, we will build on the foundations laid in 2025, advancing Kenanga Group's mission of sustainable growth, responsible stewardship and long-term value creation.

**YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**

Chairman