

SUSTAINABLE ECONOMIC GROWTH

Our approach to integrating ESG considerations into our core operations, investing, and decision-making processes is a crucial component of our strategy to deliver innovative sustainable finance and investing products for our clients. We employ a multi-faceted approach to responsible investment, engaging in both product development and active management of the businesses in which we invest in.

MATERIAL MATTERS

-  Responsible Investing
-  Digitalisation
-  Cyber Security
-  Client Experience

GOALS

Goal 1

Increase support of sustainable economic activities

Goal 2

Champion cloud-first strategy to increase scalability and flexibility

Goal 3

Increase automation for productivity

Goal 4

Increase digital distribution and resilience of products and services



UN SDGs



SUSTAINABLE ECONOMIC GROWTH



RESPONSIBLE INVESTING

WHY IT MATTERS

Investing in companies that are committed to sustainability enables us to create positive environmental and social impacts while building long-term value. It also enhances our ability to attract investors who prioritise business sustainability in their investment decisions.

OUR APPROACH

Our Investment Strategy

Kenanga Investors Group (“**Kenanga Investors**” or “**KIG**”), comprising Kenanga Investors Berhad (“**KIB**”), Kenanga Islamic Investors Berhad (“**KIIB**”), and Eq8 Capital Sdn Bhd, is the Group’s asset and wealth management arm. In upholding responsible investing, Kenanga Investors works closely with investee companies, regulators, and a wide range of market players and stakeholders to integrate ESG considerations into our investment processes.

Since 2017, Kenanga Investors has been a signatory to the Malaysian Code for Institutional Investors (“**Code**”), and has developed procedures that align with the Code’s principles across its investment value chain. In addition, KIG is a member of the Institutional Investors Council (“**IIC**”) and actively participates in the Joint Committee on Climate Change (“**JC3**”) and the Sustainable Investment Platform (“**SIP**”), reflecting our commitment to advancing the ESG agenda while addressing climate risks relevant to our sector.

In November 2024, Kenanga Investors and KIIB were affirmed investment manager ratings (“**IMR**”) of IMR-2 by the Malaysian Rating Corporation Berhad for the 8th consecutive year since they were first rated in 2017. The rating reflects KIG’s well-established investment processes and sound risk management practices.

As part of its commitment to continuously enhancing its sustainability strategy, KIG improved its ESG Framework in

2022 by integrating fixed-income asset class, in addition to equities. This was achieved through the establishment of an in-house ESG assessment framework to conduct positive screening for bonds and sukuk, based on independent and accredited external data sources. Comprehensive screenings for fixed-income securities, along with sector-specific assessments for equities, were completed in 2023, with an increased focus on sectors with elevated ESG risks. In 2024, Kenanga Investors further strengthened its ESG Framework by integrating Climate Scenario Analysis to assess the resilience of investment portfolios against potential adverse climate conditions, including physical and transition risks. As of December 2024, KIB’s ESG-screened assets under management (“**AUM**”) amounted to approximately RM12 billion, which is 51% of its reported AUM.

To effectively manage and monitor risks, KIG integrated into its ESG risk assessment various factors and indicators specific to respective industries, such as palm oil, oil and gas, banking and finance, power, and mining, enabling a more holistic perspective. This led to the development of strategies that include ESG screening procedures, participation in active stewardship through engagement with stakeholders, and the exercise of voting rights in investee companies. Additionally, in 2024, KIG successfully secured significant AUM for ESG mandates from Malaysian public asset owners, reflecting the strength of our expertise and reinforcing our position as a trusted fund manager in the sustainability space.

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KIB's ESG Integration Strategy



Positive Screening

- Integrate ESG factors into investment analysis and decision-making processes
- Invest in companies that meet our ESG standards



Negative Screening

- Avoid investing in companies with unsatisfactory ESG performances
- Exclude industries that do not align with our ESG core values from investment consideration, such as controversial weapons and adult entertainment



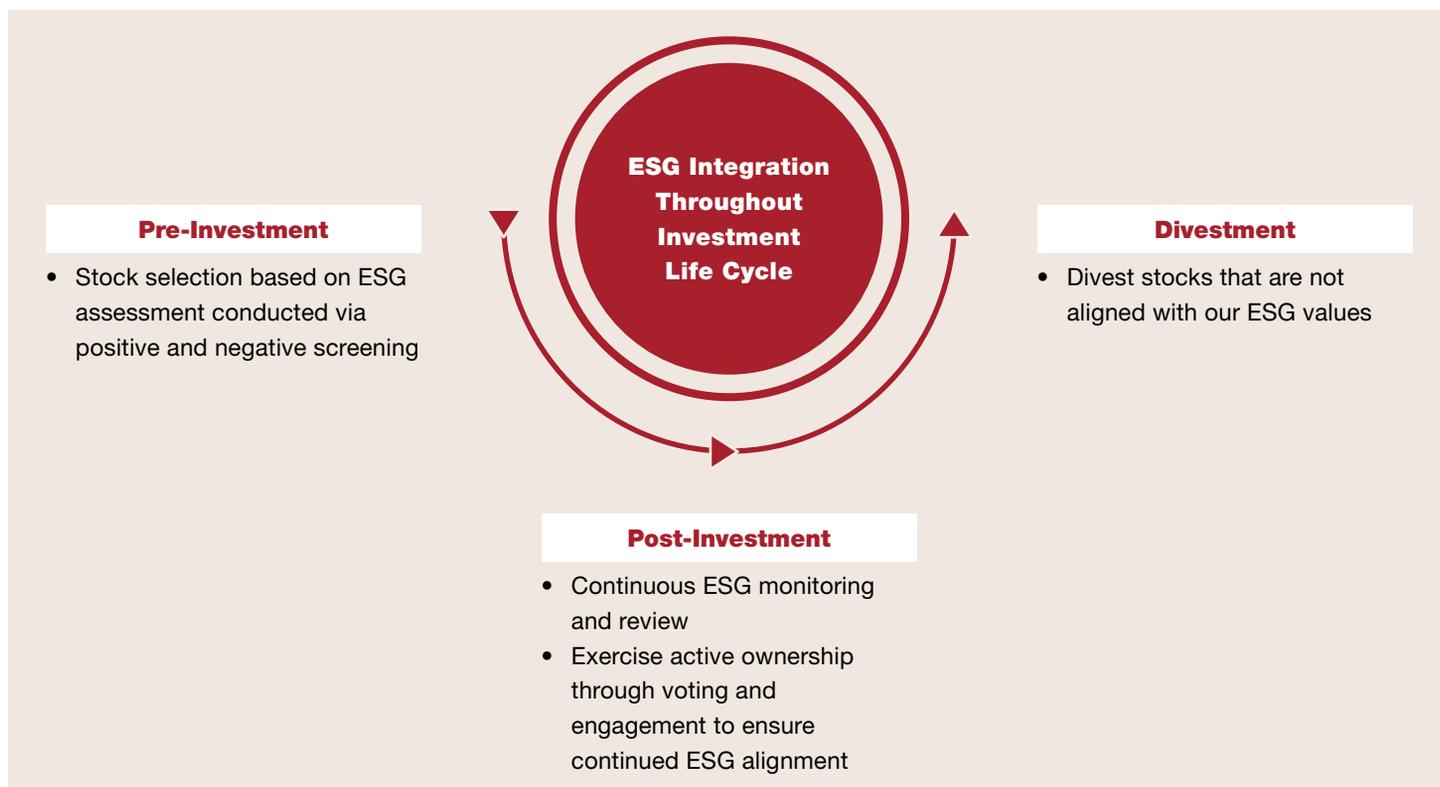
Voting Rights

- Exercise our voting rights in investee companies with substantial holdings, as per our voting policy
- Serve as a formal channel to communicate and relate our views to investee companies, especially on ESG-related issues
- Encompass significant resolutions such as the appointment of auditors and board of directors, proxy contests, anti-takeover provisions, corporate governance matters, capital structure decisions including mergers and acquisitions, and executive compensation



Active Engagement

- Actively engage with stakeholders across the industry and investee companies to monitor and promote good ESG practices



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Our Sustainable Investment Products: Kenanga Sustainability Series (“KSS”)

Kenanga Investors’s KSS currently has three (3) Sustainable and Responsible Investment (“SRI”)-qualified ESG funds. These funds are listed in the research reports made available on our website via the ‘Market Insights’ webpage which provides a clear overview of the ESG criteria for investment.

Kenanga Sustainability Series: High Yield Bond Fund

Launched on 30 March 2022, the Fund is Malaysia’s first SRI-qualified high-yield bond fund, which seeks to provide income and capital growth by investing in the Northern Trust (“NT”) Global High Yield ESG Bond Index Fund, managed by NT Asset Management. The Fund excludes securities that do not meet certain ESG criteria, such as weapons producers, tobacco producers, thermal coal producers, and companies that are in breach of the UNGC’s Ten Principles. The Fund employs an optimisation methodology proprietary to the Fund Investment Manager to overweight securities issued by companies that are leaders in implementing ESG principles, thereby maximising exposure to securities with higher ESG ratings while aligning key risks relative to the ICE BofAML Global High Yield Index, including duration, yield, option-adjusted spread, and credit quality. As of 31 December 2024, the Fund size is RM1.7 million.

Kenanga Sustainability Series: World Quality ESG Fund

Launched on 6 September 2022, the World Quality ESG Fund aims to provide capital growth by investing in the NT World Quality ESG Fund, managed by NT Asset Management. The Fund’s Investment Manager uses a proprietary scoring system to select eligible securities, excluding those that fail to meet specific ESG criteria. Securities are evaluated based on key quality indicators, including profitability, management efficiency, and cash generation, ensuring the Fund targets those with strong performance and favourable ESG characteristics. As of 31 December 2024, the Fund size stands at RM88.9 million.

Kenanga Sustainability Series: Emergency Waqf Musa’adah Fund

Launched on 6 October 2022, the Emergency Waqf Musa’adah Fund aims to generate sustainable returns that directly benefit climate change-related disaster victims in the country, helping them return to normalcy. The Fund seeks to provide income distribution and capital growth by investing in a diversified portfolio of Shariah-compliant equities, equity-related securities, sukuk, Islamic money market instruments, and Islamic deposits, integrating both Shariah principles and sustainable investing. The External Fund Manager adopts a comprehensive ESG methodology throughout its investment process, including ESG integration, where relevant ESG factors are incorporated into securities analysis and post-investment monitoring. Positive screening is used to assess and score companies based on their ESG performance, ensuring investments are made in those with strong ESG qualities. Negative screening excludes investments in sectors or companies not aligned with international norms or the Fund’s core ESG values. If any of the Fund’s investments show a persistent decline in ESG factors or scores, the External Fund Manager will seek to divest from them within an appropriate timeframe. As of 31 December 2024, the Fund size stands at RM2.1 million.

 For more information on funds and its performance funds under the KSS, please refer to: <https://www.kenangainvestors.com.my>.

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Eq8 Launches World's First Waqf ETF to Drive Socio-Economic Impact Investing

On 10 December 2024, Eq8 Capital Sdn Bhd, a member of Kenanga Investors Group, launched the world's first Waqf-featured exchange-traded fund ("ETF"), the Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF. Listed on Bursa Malaysia, this ETF is designed to distribute income annually, with half allocated as Waqf assets and the remaining half payable to unitholders. The initiative is the result of a strategic collaboration between Eq8 and Yayasan Waqaf Malaysia, which will oversee the Waqf assets.

The launch of the Waqf ETF reflects KIG's ongoing commitment to impact investing, supporting Malaysia's socio-economic development, and contributing to the United Nations' Sustainable Development Goals. The initiative aims to foster long-term, sustainable benefits in sectors like education, healthcare, economic empowerment, and environmental preservation. It aligns with the Malaysian government's efforts to encourage collaboration between the public and private sectors to maximise the potential of Waqf assets for social good.

The ETF uses an innovative income-focused strategy, combining momentum with high dividend yields. This strategy is designed to deliver attractive returns to investors while also making a positive social impact through the allocation of Waqf assets. The ETF offers investors opportunity to contribute to community development while pursuing financial returns.

Yayasan Waqaf Malaysia will channel the Waqf assets into key sectors such as education, healthcare, and economic empowerment. The launch of this ETF also supports the growth of Waqf initiatives in Malaysia, providing a new avenue for investors to participate in socially responsible investments. The launch marks Eq8's fifth ETF product, further establishing its position as Malaysia's largest ETF issuer.



Engagement with Investee Companies

KIG maintains regular engagement with investee companies to drive meaningful ESG integration. As part of its ongoing efforts to strengthen its ESG framework and adapt to the evolving sustainability landscape, they have enhanced their Engagement Policy to incorporate updated standards, including the revised Malaysian Code for Institutional Investors ("MCII") principles. In 2024, they conducted in-depth engagements with over 30 companies, focusing on key ESG issues, including climate change.

The Focus on Green Economy

We continuously explore various approaches to facilitate the development of a green economy through the deployment of capital and financial flows.

Kenanga Private Equity Sdn Bhd ("KPE"), our private equity arm, strives to actively explore climate-friendly ventures, as well as companies with a strong ESG agenda. KPE has also embedded the Climate Change Risk Assessment Checklist ("RAC") into its investment risk assessment strategy. As of 31 December 2024, approximately RM73.9 million (28%) of KPE's portfolio is focused on the renewable energy sector.

Kenanga's Corporate Banking unit has begun incorporating ESG factors into its lending and financing activities. As of 31 December 2024, 13.3% of loan and financing portfolio amounting to RM94.5 million under Kenanga's Corporate Banking division in green lending and financing are related to renewable energy, green technology, and climate change mitigation activities.

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Our Internal Stock Scoring Methodology and Approach

In 2022, Kenanga’s Equity Broking Research Department formulated an internal scoring system to evaluate public listed companies based on the Bursa Malaysia Sustainability Reporting Guide, the Sustainability Accounting Standards Board (“**SASB**”) and GRI’s primary ESG topics. Since the inception of the scoring system, we have consistently engaged with businesses for updates on their ESG strategy, goals and accomplishments to enhance our understanding of their sustainability aspirations and commitments. Key ESG themes considered in our internal scoring methodology include:



Our ESG scoring further considers the following:

- Favourable scores are accorded to companies that possess a high degree of disclosure, with reference to quantifiable information.
- Short-term targets are preferred compared to only having long-term targets, as immediate solutions are favoured.
- Year-on-year comparisons of improving ESG data would be given the highest score on a percentage basis.

ESG Engagement with Our Corporate and Institutional Clients

Our ESG integration strategy involves facilitating active engagements across industries between investors and investee companies. In 2024, we carried out a total of nine (9) ESG-related webinars and experiential visits for corporate and institutional clients. These initiatives were intended to offer first-hand knowledge and understanding of sector-specific and company-specific ESG information. These engagements garnered over 200 participants. Some of the webinars and site visits conducted are as follows:

<p>Kenanga ESG webinar on The Role of Renewable Energy Certificates (“RECs”) in Accelerating Decarbonisation</p>	<p>IHH Healthcare Berhad: Webinar on Healthcare Leadership Dialogue – ESG and Sustainability</p>
<p>Kenanga ESG webinar on Oil & Gas Sector: Embracing Sustainability</p>	<p>Kenanga ESG webinar on Sustainable City Financing with Big Data & Artificial Intelligence</p>
<p>Kenanga ESG seminar on Spotlight on Biomass – The Frontier After Solar</p>	<p>Kenanga ESG seminar on Hydrogen Technology and Development in Malaysia</p>
<p>AEON Co. (M) Bhd: ESG Site Tour at AEON Mall Wangsa Maju</p>	<p>Swift Haulage Berhad: Visit to the Warehouse for Updates on Its Adoption of Electric Vehicle (“EV”) Prime Movers in Westports, Klang</p>

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In 2025, Kenanga Research will continue to engage with corporations, industry representatives and government agencies, looking into the progress of actual climate change initiatives and enhanced ESG disclosures. We will be watching the sustainability space closely as more policies, regulations, and possibly legislation are introduced.

Strengthening ESG Thought Leadership through ESG Thematic Publications

During the year, we published five (5) ESG-themed reports focusing on key sectors such as oil and gas, healthcare, and telecommunications, delving into specific ESG aspects and company activities. In addition to these thematic reports, we continued publishing ESG-focused bulletins to provide investors with timely news updates and commentary on selected topics.

ESG Thematic Reports in 2024

The Industry Doing Its Part in Sustainability

AEON: A Greener Future in Retail

IHH: Shaping Healthcare Future Sustainably

UrbanMetry: Understanding Floods with Big Data

Telecommunication: New Cybersecurity Act Champions ESG Goals

 For more information on our ESG Thematic ESG reports, please visit: <https://www.kenanga.com.my/market-insights/#filter=-esg-thematic-reports>.



FUTURE OUTLOOK

We plan to broaden our suite of sustainable investment products, with a particular focus on thematic investing. As part of this effort, we will continue to deepen our understanding of ESG risks and opportunities across our portfolio by actively engaging with investee companies to gain insights into their ESG goals and strategies. To ensure the continued relevance and robustness of our scoring methodology, we aim to conduct regular reviews and enhancements of our assessment criteria—reflecting evolving industry standards, stakeholder expectations, and emerging ESG trends.

SUSTAINABLE ECONOMIC GROWTH



DIGITALISATION

WHY IT MATTERS

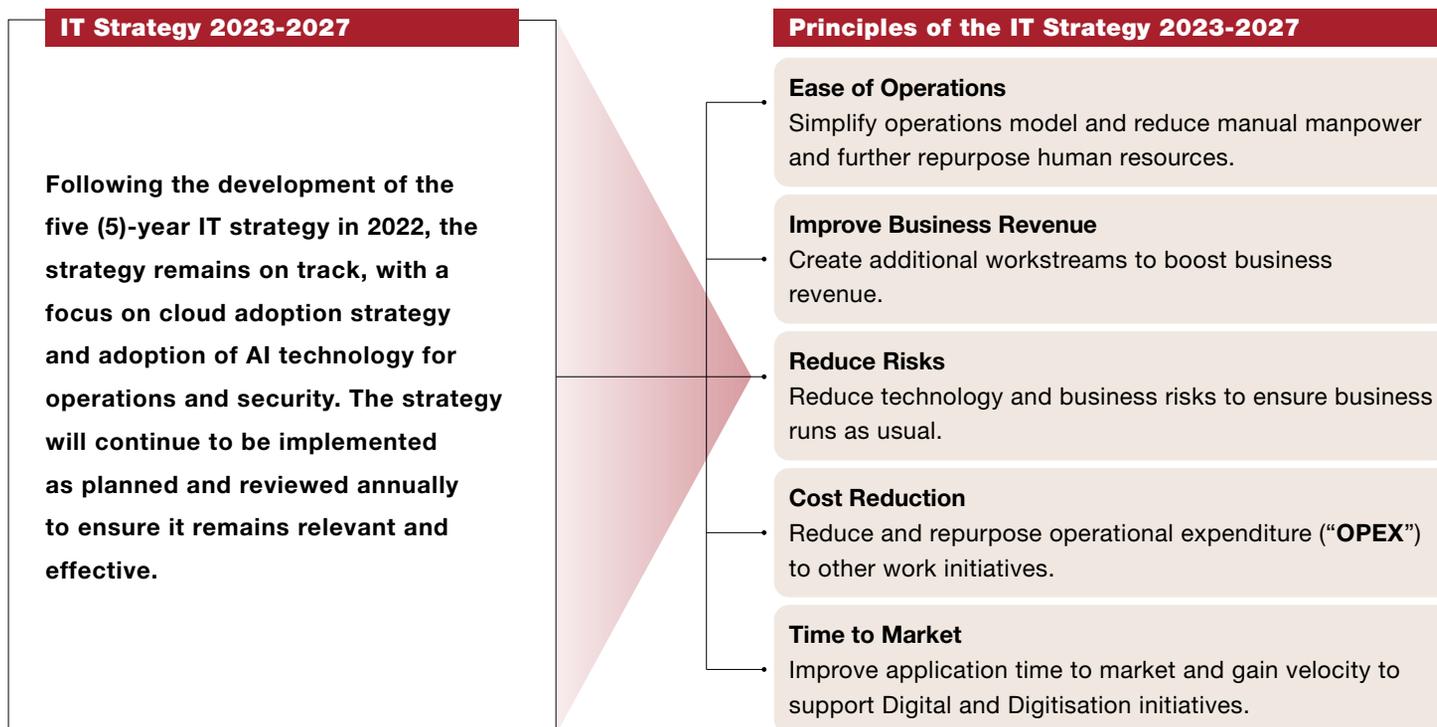
Kenanga acknowledges the importance of reinforcing our digital competitiveness to sustain our growth and long-term viability, especially amid the rapidly evolving financial landscape. We aim to enhance internal operational efficiency through digitalisation and create a seamless and unified digital experience through a suite of products.

OUR APPROACH

Our digitalisation strategy focuses on expanding our digital offerings to create a comprehensive approach to wealth creation. We strive to simplify workflows by automating processes to boost efficiency. Our efforts to strengthen information technology (“IT”) governance and enable effective oversight of digital initiatives are ongoing. We aim to use resources more efficiently, accelerate digitalisation, and refine cost structures. Furthermore, we seek to build strategic partnerships with technology leaders to drive innovation and deliver value to our customers. These initiatives reaffirm our commitment to leveraging digitalisation to fuel growth and innovation in our business.

IT Governance

At Kenanga, the Board provides direction for and oversees on technology-related matters, including risks, in line with business and regulatory requirements. The Group Board Digital Innovation & Technology Committee (“**GBDITC**”) supports the Board in its responsibilities, as well as reviews, evaluates, and recommends technological innovations for the development of the Group’s medium- and long-term business strategy. Furthermore, the GBDITC assists the Board in ensuring that the Group’s technology resources and initiatives are aligned with its overall digitalisation strategy and objectives.



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Driving Digital Transformation in Product Platforms

Digitalisation is transforming the way we deliver products and services, revolutionising the customer experience. By embracing advanced technology, we are enhancing accessibility, efficiency, and convenience, enabling clients to manage their financial needs seamlessly through innovative digital solutions.



Highlight of 2024: The Launch of KDi GO

In August 2024, Kenanga Digital Sdn Bhd launched KDi GO, a SuperApp that seamlessly integrates a comprehensive suite of financial and wealth management solutions into one powerful ecosystem. KDi GO empowers users with an intuitive platform to manage their finances effortlessly, featuring AI-driven robo-advisory tools for smart saving and investing, retail payment options, and convenient money remittance services. Developed in collaboration with Ant Digital Technologies, KDi GO harnesses the cutting-edge Mobile-Platform-as-a-Service (“mPaaS”) solution to deliver a seamless user experience.

Our products continue to expand, driven by cutting-edge digital innovations that enhance their accessibility and functionality. This expansion allows us to offer more tailored, efficient solutions to meet the evolving needs of our clients in an increasingly digital world. Some key updates on our products’ performance are as follows:

Product	Key Highlights in 2024
<p>Kenanga Digital Investing (“KDI”)</p> <p>The KDI platform is a fully automated, AI-driven robo-advisor designed to simplify the saving and investing process. Licensed by the Securities Commission Malaysia, KDI offers two (2) convenient products: KDI Save and KDI Invest. KDI Save provides daily returns on savings with no lock-in period or management fees, while KDI Invest enables wealth growth by offering access to global investment opportunities through US-listed Exchange Traded Funds (“ETFs”) at competitive fees.</p>	<p>KDI Save & Invest continued to grow, reaching approximately 33,000 customers and managing around RM400 million in assets under management.</p>
<p>Rakuten Trade</p> <p>Rakuten Trade Sdn Bhd (“Rakuten Trade”), a joint venture between Kenanga and Japan-based Rakuten Securities Inc, has made online stock trading more accessible and convenient to hundreds of thousands of new traders and investors. In addition to providing trading access to the US market, the platform also offers foreign trading capabilities such as the Hong Kong Exchange and US fractional share trading, giving Malaysian users a seamless and cost-effective way to further diversify their portfolios.</p>	<p>In 2024, 12,087 new users signed up on Rakuten Trade, bringing the total customer base to more than 288,250. Over RM143 billion worth of stocks have been transacted since its inception in 2017.</p>
<p>Kenanga Money</p> <p>Developed in partnership with Merchantrade Asia Sdn Bhd (“Merchantrade”), Kenanga Money is our first stockbroker e-wallet platform, marking our entry into the cashless payment sector. Kenanga Money allows our clients to transfer money from their stock trading account into an e-wallet with a prepaid card for retail payments, remittances, and withdrawals globally. Users can also leverage Merchantrade’s innovative multi-currency capability, enabling them to buy, sell, and hold up to 20 foreign currencies at any time, all at competitive exchange rates.</p>	<p>Over 800 customers have registered since its launch in 2020. In 2024, over RM310,000 in retail transactions were made through this e-wallet.</p>

As part of our 2025 outlook, Kenanga plans to officially launch the enhanced Treasury FX Platform—originally released in 2023—to empower clients to execute foreign currency trades and transfer funds internationally online. Building on client feedback and system performance since the initial release, the 2025 launch will feature significant User Interface (“UI”) and User Experience (“UX”) improvements, delivering a more accessible and efficient digital experience.

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Enhancing Client Services

We are continuously revamping our clients’ transaction management through our financial solutions platform, prioritising user-friendly interfaces and robust security to provide tailored services that enhance convenience and efficiency. Additionally, by implementing digital onboarding processes and improving back-end client management systems, we are further enhancing the seamlessness of our client services. Digital onboarding allows clients to conveniently open accounts and access services online, reducing paperwork and processing time, while our upgraded back-end systems streamline client management for smoother interactions and more personalised services.

Highlight of 2024: The Launch of iRemisier and Centralised Customer Information System

In 2024, Kenanga further revamped its operations with the launch of iRemisier, replacing the old Remisier Portal. This platform enhances efficiency, user experience, and scalability, offering a modern, mobile-friendly interface that simplifies processes for both clients and internal teams. iRemisier eliminates legacy technologies, streamlining workflows and boosting operational reliability and speed. Designed for today’s mobile-first, user-centric workforce, it improves accessibility and usability while supporting Kenanga’s growth, adapting quickly to market needs and delivering new features with minimal cost.

As of 2024, all of our remisiers have been onboarded onto the platform, allowing for more streamlined transactions across various services. The platform has supported a range of transactions, including 150,590 eDeposits, 457,982 eSettlements, and 135,049 eTrust Withdrawals. This transition has contributed to smoother processes and greater efficiency in our operations.

Additionally, iRemisier serves as the foundation for Kenanga Group’s Data Lake, acting as a central repository for various Lines of Business (“LOB”) within the Group. This centralisation ensures seamless access and management of client information across the organisation, consolidating critical data—such as account details, contact information, and transaction history—into one unified system. By consolidating client data, Kenanga gains deeper insights, offering a 360-degree view of clients that enables more targeted services and personalised experiences. The Data Lake also strengthens compliance by organising client information for easier access, improving client screening, and simplifying regulatory processes. Overall, centralising data optimises operations by reducing silos, accelerating workflows, and providing faster access to critical information, ultimately enhancing organisational efficiency.

Some key updates of other initiatives are as follows:

Services	Key Highlights in 2024
<p>Digital Client On-boarding (“DCO”) Service</p> <p>Clients are able to open accounts online using this platform, eliminating the need to visit a Kenanga branch. The platform offers clients convenient access to equity trading, futures and options trading, and treasury products. The account opening process takes 15 minutes and can be accomplished through a PC, laptop, or mobile device.</p>	<p>A total of 6,923 accounts have been opened via DCO since its inception. This includes Kenanga Futures, Kenanga Treasury, and Equity Broking — cash, collateralised, and margin.</p>
<p>Futures Account Opening Services</p> <p>The digitalisation of the Kenanga Futures account opening process aims to boost processing speed, enhance security, and reduce the cost of client onboarding.</p>	<p>Achieved a 99% digital onboarding rate, with only 1% of new accounts opened physically. As of 2024, 50% of back-office administrative forms and physical documents have been digitalised.</p>
<p>Treasury Relationship Manager Platform</p> <p>An online platform that enables relationship managers to execute order fulfilment digitally and seamlessly for Dual Currency Investment (“DCI”), a popular structured investment solution.</p>	<p>In 2024, DCI transaction volume exceeded RM500 million, with 15 Relationship Managers using the system.</p>

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Services

Project OMNI

A software platform designed to support advisers and staff in digitally onboarding and servicing clients. It has two (2) main components: REACH, an iOS-based tablet app for advisers, and a web-browser-based Back Office Web portal for Kenanga Investors employees. The platform aims to minimise the printing of forms and reduce adviser trips to the branch, as REACH submissions are fully digital, except for those mandated by regulators.

Key Highlights in 2024

In 2024, Project OMNI focused on final refinements ahead of its full rollout to all advisers in 2025. Key enhancements were made to improve user experience.

Looking ahead, we plan to update the Data Lake to improve its performance, scalability, and integration across platforms, making data processing more efficient and reliable. These updates will help Kenanga better manage and access data, leading to improved insights and smoother operations. Additionally, Project OMNI will continue to enhance efficiency by simplifying the onboarding process for advisers and introducing Straight Through Processing (“STP”) via Application Programme Interfaces (“APIs”). These changes will make data handling faster and more accurate, benefiting both advisers and clients.

Digitalising for Operational Efficiency

Kenanga’s digital transformation measures focus on the digitalisation of key functions and processes to improve operational efficiency. Some key highlights are as follows:

Product

The Group’s Digital Workflows (“iLeap”)

iLeap streamlines sign-off, storage, and audit processes, reducing printing in digital workflows while improving efficiency and cost savings through automation. Guided by the iLeap Application Governance Policy, the platform ensures secure and effective use across business and IT processes.

Key Highlights in 2024

In 2024, we digitised eight (8) new workflows, bringing the total number of digitised workflows since 2020 to 77. Additionally, we enhanced 12 existing workflows across various departments, including Group Operations, Group Finance, Group Equity Business, Group Treasury, Group Human Resources, and Group Digital, Technology, and Transformation.

Robotic Process Automation (“RPA”)

A software technology that automates repetitive digital tasks using predefined instructions, enabling businesses to streamline operations. Software robots, or “bots”, perform rule-based tasks such as data entry, transaction processing, and report generation without human intervention. RPA enhances efficiency, reduces errors, and allows employees to focus on higher-value tasks.

To date, 18 RPA solutions have been deployed, with eight (8) new processes introduced in 2024 to enhance efficiency across key operational areas, including Treasury Operations, Payment Settlement, and Research Documentation Management.

RPA integration has also expanded to support Digital Transformation, Financial Crime & Compliance, and Finance functions, streamlining critical workflows such as bank reconciliation, regulatory screening, and transaction processing.

These automation initiatives continue to improve efficiency, accuracy, and compliance, reinforcing the Group’s commitment to digital transformation and operational excellence.

In line with the renewal of operating systems for the Central Credit Reference Information System (“CCRIS”), Integrated Statistical System (“ISS”), and External Sector Submission (“ESS”), Kenanga will adopt RegTech to consolidate CCRIS, Business-to-Business (“B2B”), ISS, and ESS into a single server, replacing the previous four (4). This solution will bring cost savings and additional benefits, including a new analytics dashboard. The dashboard will provide improved data visualisation, real-time insights, and the ability to track key performance indicators to enhance monitoring and make data-driven decisions to boost operational efficiency.

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Cloud Adoption Strategy

Our five (5)-year Cloud Adoption Strategy aligns with our Group-wide digital transformation ambitions, aiming to drive innovation and growth. Cloud infrastructure enhances scalability, performance, security, and resilience across the Group.

In 2024, we advanced this strategy by completing key risk assessments under BNM's Risk Management in Technology ("RMIT") guidelines, successfully deploying iRemisier on Azure. Security was strengthened with a Palo Alto Firewall, and regulatory approval was obtained for Azure hosting as a Material Outsourcing arrangement. Kenanga's Cloud Adoption Strategy is executed through the following two (2)-pronged approach:

Approach #1 – Public Cloud

We will leverage public cloud infrastructure services, such as Azure and Amazon Web Services ("AWS"), to accelerate time-to-market, enhance scalability, and improve resiliency for new cloud-native applications.

Approach #2 – Private Cloud

Currently, several of Kenanga's applications are hosted in its data centre. We plan to implement a private cloud technology stack to modernise our on-premises data centre infrastructure by integrating cloud automation and security software. This initiative aims to enhance agility and flexibility in managing our infrastructure. We will prioritise hosting time-sensitive applications and those with high latency requirements in the private cloud.

Azure Enterprise Skilling Initiative ("ESI")

We are progressively upskilling our IT workforce through Microsoft's Azure ESI to continuously develop essential technical skills and knowledge to undertake Azure-related projects and initiatives. These measures also include training and certifications. In 2024, our IT personnel attended over 15 Azure training courses with a total of 223 training hours logged.

Greening Data Centres

Our efforts to enhance the sustainability of our data centres remain a key priority, reflecting our commitment to operational efficiency and environmental responsibility. Initiated in 2023, the programme aims to optimise energy usage and drive improvements in overall energy efficiency.

This initiative entails upgrading our hardware—including servers, storage devices, and networking equipment—to energy-efficient versions, as well as virtualising servers to enhance resource utilisation. In 2024, the Group completed approximately 30% of the upgrades for storage and servers in total. While the functionality remains unchanged, the upgraded servers and storage are now sourced from green materials. Looking ahead to 2025, we plan to onboard a private cloud project to transition more traditional servers to a private cloud environment, further optimising resource efficiency and sustainability.



FUTURE OUTLOOK

Our ongoing assessments and enhancements of our systems and processes ensure we remain at the forefront of digital transformation in the financial industry. In 2025, we aim to digitise all forms to ensure that they can be easily accessed, filled and submitted electronically. Meanwhile, we will continue streamlining and refining existing processes to further improve efficiency, resolve any issues and align them with current standards and requirements. In addition, we will further enhance our automation processes by migrating all UI Path processes into Microsoft Power Automate, while continuing to roll out new RPAs.

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CYBER SECURITY

WHY IT MATTERS

Cybersecurity is becoming increasingly important as organisations transition to a future driven by digital innovation. At Kenanga, we aim to mitigate cyber risks by actively monitoring developments in the cyber landscape while strengthening cybersecurity measures across our operations.

OUR APPROACH

Our suite of IT policies forms the foundation of our IT governance, guiding our approach to managing cyber risks and responding to security incidents.

Key Policies and Framework

Cyber security is a formal risk component of Kenanga's Enterprise Risk Management Framework.

The Cyber Security Policy is built on regulatory guidelines, including Bank Negara Malaysia's Risk Management in Technology ("RMIT").

The Group Confidential Information Policy incorporates various privacy legislations, including the Financial Services Act 2013, the Securities Industry (Central Depositories) Act 1991, BNM's Management of Customer Information and Permitted Disclosures, and the Personal Data Protection Act 2010 ("PDPA").

This policy governs all data usage within Kenanga Group, including payment and settlement-related applications and systems (such as RENTAS and FAST), with data assets categorised into three (3) classifications: Regulated Confidential, Unregulated Confidential, and Public.

Sensitive data discovery is incorporated into the Information Asset Inventory and is managed through embedded rules in the Data Loss Prevention ("DLP") tool. The DLP rules are also aligned with the Group Confidential Information Policy.

Project Zero Trust was initiated in response to the shift toward a "work from anywhere" model and the increasing reliance on cloud computing. It ensures employees can work seamlessly and securely, supported by a modern, agile network and security architecture that complies with RMIT requirements.



Project Zero Trust

Launched in 2024, Kenanga's three (3)-year Project Zero Trust aims to enhance security across the Group's network infrastructure. Key features include secure, seamless access to private applications, protection against internet threats, universal firewall enforcement, malware monitoring, and data loss prevention. Zero Trust Network Access's "trust no one by default" approach centralises access control and enhances network visibility. The implementation is structured into three (3) phases: initial rollout at Headquarters, extension to branches, and final optimisation with policy reviews, ensuring a robust and future-ready IT environment.

Data Loss Prevention Framework

Our DLP Framework defines data protection measures for sensitive information across various mediums to mitigate cyber threats. It is supported by Kenanga Group's Cyber Security Policy and aligns with Bank Negara Malaysia and the Securities Commission Malaysia Guidelines on IT and Cyber Security.

The Group's DLP project was implemented to enhance visibility over data processes within the organisation. It enables us to track the location of confidential data, monitor its usage, and implement safeguards against data loss. The framework also establishes data protection measures for sensitive information across all endpoint devices and data egress channels, in line with our DLP Framework and Group Confidential Information Policy.

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All activities are monitored, and alerts are triggered when the DLP system detects customer data or confidential information being shared with external parties or copied to external mediums. We also published a Privacy Notice on our corporate website which specifies the scope in which we utilise customers' data, further promoting transparency and enhancing customer awareness.

Accelerating Data Security Measures

In 2024, we reinforced the cyber resilience of our operations by implementing the following measures:

Securing Customers' Data

- Enhanced DLP solutions to prevent data leaks from internal sources.
- Updated the virtual patch solution to the latest version to continue shielding servers from risks before applying physical security patches.
- Maintained Cloudflare to protect web applications from cyberattacks.

Enhancing Cyber Security Policy

- Updated the policy with a section on cloud security, outlining requirements in areas such as cloud architecture, cloud application delivery models, virtualisation and containerisation management, cryptographic key management, and access control.

Improving Incident Response Mechanism

- Enhanced the Cyber Incident Response Plan documentation by adding a scenario playbook for common cyber incidents, such as Distributed Denial-of-Service ("DDoS") attacks, web defacement, and phishing. This includes a description of the activities and a process flow chart for each scenario.
- Explored AI-powered cybersecurity defences to combat AI-driven cyberattacks.

Undergoing Regulatory Audit

- Participated in the industry regulatory audit by the Securities Commission Malaysia, with findings and remedial action plans deliberated upon by the Board.

Implementing Project Zero Trust

- Implemented a zero-trust security strategy to strengthen Kenanga's cybersecurity framework, addressing shifts in work locations and the technologies supporting this transition.

Strengthening Measures for Securing Employee Data

- Upgraded the mobile management tool to effectively monitor company information on employees' mobile phones.
- Renewed the Microsoft 365 subscription, which includes the full E5 security suite with advanced endpoint and identity protection.

Fostering Cyber Awareness Among Employees

- Worked with experienced cybersecurity experts to provide valuable cyber knowledge to our Group Digital, Technology and Transformation Division.
- Carried out compulsory monthly cybersecurity awareness training for all employees, in partnership with Sophos and our in-house Kenanga Group Learning Management System.
- Performed regular email phishing simulations to improve employee awareness of identifying and responding to potential phishing threats.
- Conducted online quizzes and training sessions.
- Completed 4,456 hours of mandatory in-house cybersecurity training for employees.
- Achieved a success rate of 94.2% in identifying phishing emails through our employee phishing simulator.
- Conducted four (4) mock-phishing exercises during the year.

In 2024, zero cybersecurity incidents involving breaches of customer data were recorded.



FUTURE OUTLOOK

We continue to enhance our cybersecurity protocols and measures to address evolving threats, in line with our IT Strategy 2023-2027 and DLP Framework. This includes the implementation of Project Zero Trust, necessary system upgrades, and raising awareness among both our employees and clients to proactively tackle cybersecurity challenges. Our overarching goal is to build trust among our clients as they engage in financial pursuits digitally, reassuring them that their personal and financial information is well protected.

SUSTAINABLE ECONOMIC GROWTH



CLIENT EXPERIENCE

WHY IT MATTERS

We attribute the success of Kenanga, a Malaysian brand that has grown from strength to strength over the past five (5) decades, to our strong client relationships. Having served over 500,000 clients, we reaffirm our ongoing commitment to delivering excellence through our products and services by prioritising our clients in everything we do.

OUR APPROACH

At Kenanga, we focus on delivering value and sustaining relationships built on trust and satisfaction. We ensure that our interactions with clients are personalised and meaningful by focusing on their needs, preferences, and expectations. Transparency and communication are fundamental to our approach, as we aim to keep clients informed and engaged throughout their journey with us. Kenanga is guided by policies aligned with applicable laws and regulations, ensuring that our marketing materials and claims reflect a commitment to ethical principles, upholding accuracy and honesty. These are complemented by various customer touchpoints to promote frequent engagement. By employing our client-centric approach, we aim to build lasting relationships that strengthen the foundation sustaining our business for the long term.

Responsible Marketing & Communication

All information contained in prospectuses and memoranda are made available to the public in accordance with key applicable laws and regulations established by:

Administered/ Regulated	Law and Regulation
Bank Negara Malaysia	>> Financial Services Act (2013)
Ministry of Domestic Trade, Co-operatives, and Consumerism of Malaysia	>> Consumer Protection Act (1999)
Advertising Standards Advisory Malaysia	>> Malaysian Code of Advertising Practice
Companies Commission of Malaysia	>> Companies Act 2016 Section 30 (2)
Bursa Malaysia	>> Bursa Securities Rules & Bursa Derivatives Rules
Securities Commission Malaysia	>> Guidelines on Advertising for Capital Market Products and Related Services

SUSTAINABLE ECONOMIC GROWTH

To further uphold our standards, we have established internal procedures that guide the creation and distribution of promotional and marketing materials. The following guidelines are accessible to all employees:

Group Advertisement Policy

Describes guiding principles, regulatory requirements, and guiding frameworks for Kenanga Group's communications undertaken via traditional and digital advertisements.

Group Social Media Policy

Contains guiding principles and an employee participation framework that sets standards for appropriate behaviour, outlining procedures and guidelines for the Group's communications on its social media platforms.

Group Media Relations Policy

Establishes guiding principles and a framework within the Group in its engagements with print, electronic and broadcast media.

Group Complaint Handling Procedure

Establishes guiding principles and a framework within the Group for its complaint handling processes and procedures for all stakeholders.

Our intermediaries, including agents and remisers, are provided with the necessary information and training, emphasising the importance of maintaining high standards of ethics and honesty in client interactions. All remisers are required to adhere to the Group's Code of Ethics and Conduct for Employees to ensure that our customers are served with integrity. In line with our Group Complaints Handling Procedure, all complaints received must be directed to the appropriate Complaint Officer for further action.

Establishing a Client-Centric Strategy

Our approach is centred on listening to and catering for the diverse needs of our clients. We use several channels, such as the ones listed below, to facilitate two (2)-way communication with all our existing and prospective clients, actively seeking and gathering feedback to further improve their experience with us.

Digital Communications Platforms

- The latest promotional updates, product information and corporate news are constantly shared on all our digital communication touchpoints, such as product and corporate websites, as well as social media platforms including Facebook, Instagram, LinkedIn, Telegram and TikTok.
- Digital touchpoints enable direct client interaction, where we monitor and respond to queries, feedback and complaints that come through.

Telephony Support

- Our toll-free customer helplines enable access to information, advice and assistance in handling customer queries and complaints.

 More details can be found at: <https://www.kenanga.com.my/contact-us>.

Physical Branches

- To complement our digital channels, we offer our services through 30 physical branches across Malaysia.

 More information is available at: <https://www.kenanga.com.my/branches>.

Combating Financial Scams

Fighting financial scams is crucial to safeguarding our clients' wellbeing and preserving the financial system's integrity. Scams and fraudulent activities undermine trust in financial institutions and markets, eroding confidence among investors and consumers.

In 2024, Kenanga Group continued to enhance its scam awareness efforts through its corporate websites and social media platforms such as LinkedIn, Facebook, TikTok, Instagram, and Telegram, raising public awareness about financial scams and providing practical prevention tips. As part of its 8th FAW, Kenanga launched a video campaign centred around scam awareness, where employees and members of the public were invited to participate by generating creative content. This outreach programme encouraged active participation in recognising and fighting scams. To further assist our clients and members of the public, dedicated email and hotline channels were set up to facilitate the reporting of scam-related issues.



Scan here or visit the link for more information :
<https://www.kenanga.com.my/news/articles/stay-smart-stay-alert/>