

ETHICS AND COMPLIANCE STATEMENT

OUR COMMITMENT TO COMPLIANCE AND VALUES

In line with the regulatory emphasis on ethical conduct, Kenanga Investment Bank Berhad and Its Subsidiaries (“**KIBB Group**” or “**Kenanga Group**” or “**the Group**”) remains dedicated to promoting ethical behaviour and integrity across all facets of its operations. By adhering to stringent ethical standards and regulatory compliance, we aim to safeguard the interests of our stakeholders while delivering value propositions that resonate with integrity and transparency.

Building upon our commitment to ethics and integrity in business practices, Kenanga Group integrates these values into both our corporate culture and governance framework. Through adherence to ethical standards and fulfilling regulatory obligations, we not only bolster Kenanga Group’s reputation but also cultivate trust among our stakeholders, thus propelling sustainable business growth.

OUR STRUCTURE IN MANAGING ETHICS AND COMPLIANCE

The Group’s approach to ethics and integrity extends beyond mere compliance; it is ingrained in our corporate DNA and guides our decision-making processes at every level. We recognise that ethical conduct is not just a regulatory obligation but a moral imperative that underpins our relationships with clients, employees, shareholders, and the broader community.

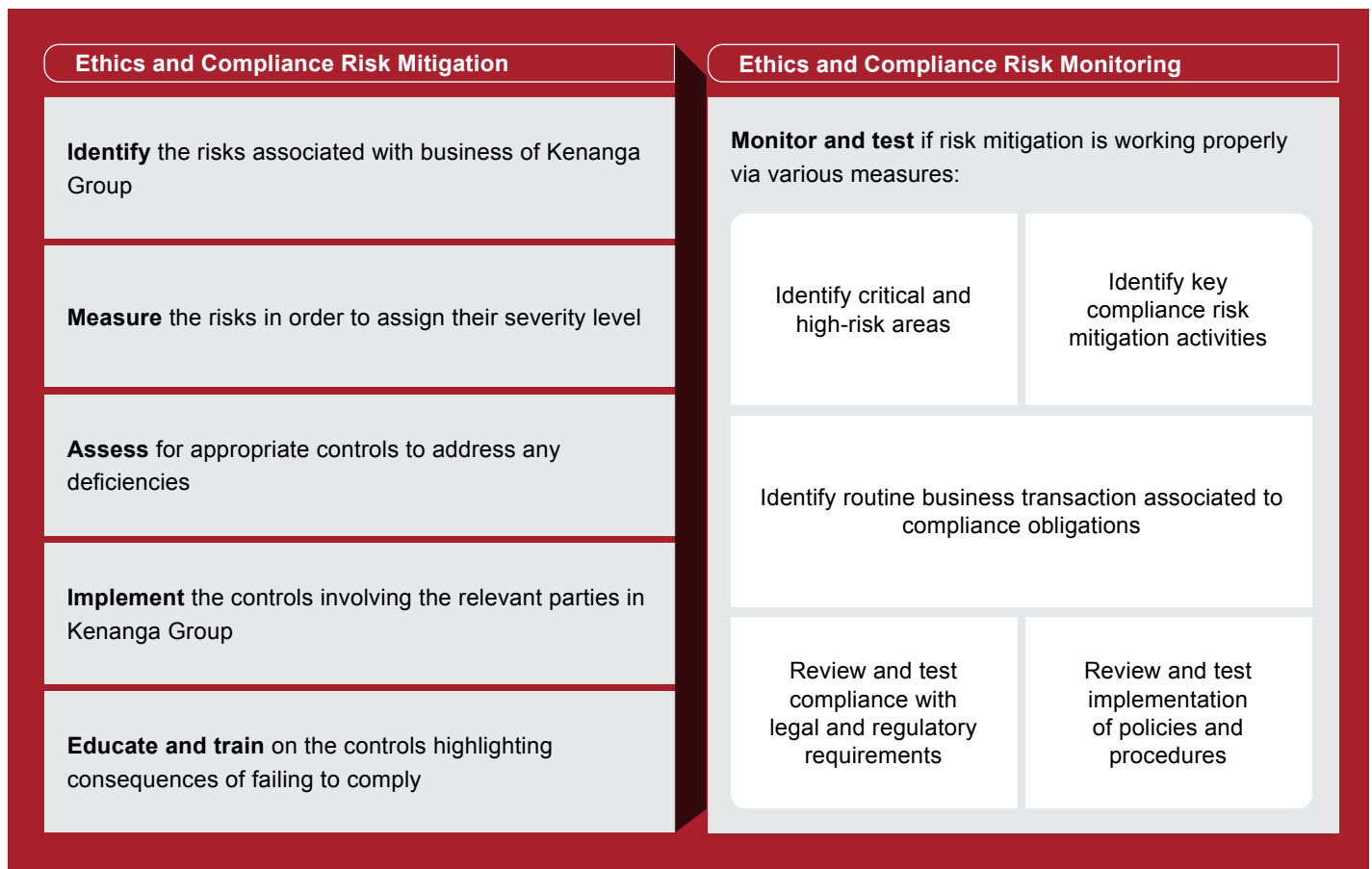
In essence, our dedication to ethics and integrity is not just a business strategy; it is a reflection of our core values and commitment to upholding the highest standards of corporate governance and responsible business conduct. In this regard, the following six (6) departments within Group Regulatory and Corporate Services (“**GRCS**”) Division of Kenanga Investment Bank Berhad (“**KIBB**” or “**the Company**”) collaborate closely to carry out the overall responsibilities under the ethics and compliance structure:

Group Business Ethics and Integrity	Develops, implements and facilitates compliance of the applicable framework, policies and procedures towards promoting ethical business practices and integrity in the business and operational activities
Group Compliance	Develops, implements and facilitates compliance of the overall regulatory requirements in relation to the regulated activities as per the Licensing Handbook of the Securities Commission Malaysia
Group Financial Crime Compliance	Develops, implements and facilitates compliance of the applicable laws and regulatory requirements in relation to Anti-Money Laundering, Counter Financing of Terrorism and Targeted Financial Sanctions
Group Prudential Supervision and Regulatory Affairs	Manages consultations with the regulators and provides sound advice to ensure compliance with regulatory requirements and expectations as well as standard practices
Group Legal	Manages legal documentation and provides legal consultation towards mitigating legal risks
Group Company Secretarial	Ensures integrity of the governance framework and compliance with statutory and regulatory requirements by the Board of Directors (“ Board ”), as well as facilitates the communication and implementation of the Board’s decisions

● **Strategic Framework for Sustaining Effective Governance**

To achieve high standards of corporate governance within the highly regulated capital markets environment, Kenanga Group has implemented the Ethics Risk Management Framework ("**EMF**") and Compliance Management Framework ("**CMF**") within the GRCS. These frameworks provide structured guidance for ensuring systematic and consistent oversight and monitoring of compliance and ethical practices. Additionally, they are instrumental in addressing and managing sustainability concerns across the Group's operations.

The EMF and CMF adopt risk-based, centre-led methodologies, integrating two (2) fundamental principles of risk mitigation and risk monitoring, synergistically reinforcing each other:

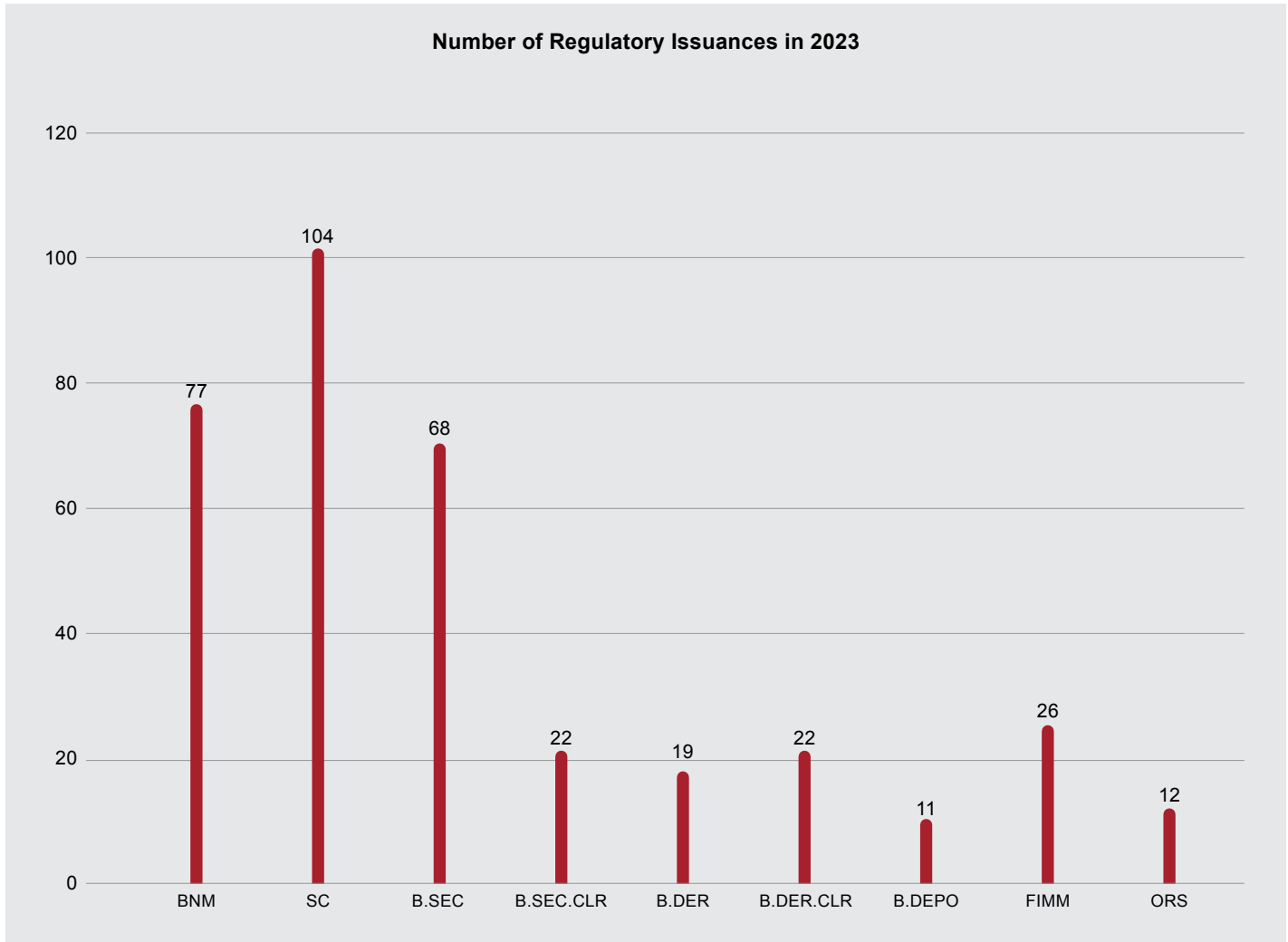


Essentially, the EMF and CMF serve as cornerstone methodologies, facilitating the establishment, ongoing evaluation, and refinement of the Group's ethical and compliance initiatives. These methodologies harmonise the management of ethical and compliance matters, safeguarding the Group's corporate culture.

ETHICS AND COMPLIANCE STATEMENT

● **Tool for Regulatory Awareness and Compliance**

GRCS holds a crucial position in the regulatory landscape of Kenanga Group, ensuring that employees stay informed about any changes or new requirements set forth by regulators. In 2023, GRCS effectively managed the dissemination of three-hundred and thirty-eight (338) revised and new frameworks, guidelines, and circulars, along with twenty-three (23) consultation papers. These efforts are instrumental in maintaining compliance and fostering a culture of awareness within the organisation.



Taking regulatory compliance to the next level, GRCS goes beyond mere dissemination by actively overseeing the implementation of new requirements within divisions and departments. Utilising the Regulatory Issuances Impact Review (“EDGE”), GRCS provides targeted guidance to ensure seamless adjustments to internal policies, procedures, or controls. More than just a review, the EDGE reflects the Group’s firm dedication to comprehensive compliance.

OUR STRUCTURE IN MANAGING ETHICS AND COMPLIANCE

● Cultivating a Vibrant Speak Up Culture

At Kenanga Group, transparency and ethical conduct stand as our core principles, and we recognise the pivotal role of our employees at all levels in upholding these principles. In line with its dedication to fostering a culture of openness and accountability, the Group has had the Group Whistleblowing Policy and Guidance Notes (“**Whistleblowing Policy**”) in place.

In 2023, the Group undertook a timely and comprehensive revamp and review of the Whistleblowing Policy which culminated in the establishment of the Group Speak Up Policy (“**Speak Up Policy**”), aimed at providing employees with a robust framework for reporting concerns, misconduct, or ethical breaches. The revamped policy aligns with the evolving regulatory landscape, in light of the Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“**MACCA**”) as well as Part H of Chapter 15 of Bursa Malaysia’s Main Market Listing Requirements.

We ensured that a holistic roll-out is done for the Speak Up Policy to ensure that all employees in the Group, as well as parties the Group deals with are aware of the changes, understand their rights, and know how to utilise the new reporting channel effectively. Additionally, it allows for consistent messaging across different departments and levels within Kenanga Group and this helps to mitigate potential resistance or scepticism towards the policy changes, as it provides a platform for addressing concerns and clarifying any misunderstandings.

We had issued a set of Frequently Asked Questions (“**FAQs**”) on the revamped policy which was made available on both Kenanga’s corporate website and intranet. These FAQs simplified the information provided within the Speak Up Policy, thereby making it more accessible to employees and third parties. The FAQs also aim to address concerns and serve as valuable educational resources during training and onboarding.

We had also issued posters and emails to publicise the revamped policy and highlight the new reporting channel that was introduced. The posters were sent to all branches as well as all the departments and divisions to be placed in a strategic and prominent common location to ensure visibility and awareness by reaching a wide audience.



The Speak Up Policy reflects Kenanga Group’s unwavering commitment to creating a workplace where employees feel empowered to speak up without fear of reprisal. As a cornerstone of the bank's ethical infrastructure, the revamped policy stands as a testament to the Group’s proactive approach in ensuring a resilient, transparent, and accountable organisational culture. The Speak Up Policy not only empowers employees to speak up against misconduct but also fosters a culture where integrity is upheld at all levels.

ETHICS AND COMPLIANCE STATEMENT

● Strengthening Controls Against External Threats

Kenanga Group has always prioritised the safeguarding of our operations against external threats, particularly fraud. The Group Anti-Fraud, Bribery, and Corruption Reporting Procedure (“**AFBC Reporting Procedure**”) has been integral to our operations since its inception. This framework outlines stringent controls to detect, prevent, and address instances of internal fraud, bribery, and corruption.

Building upon this foundation, we introduced the Guidance on Handling Incidents of External Fraud (“**External Fraud Guidance**”) in 2023. This framework complements our existing controls by providing specific measures tailored to respond to external fraud threats. Through the implementation of the

External Fraud Guidance, we have further fortified our defences, enhancing our ability to mitigate risks stemming from sources beyond our organisation's borders.

By strategically balancing controls targeting both internal and external threats, Kenanga Group demonstrates its proactive approach to risk management. We remain steadfast in our commitment to upholding the highest standards of governance and compliance, thereby safeguarding the trust and confidence of our clients and stakeholders. As we continue to adapt to the evolving landscape of fraud and misconduct, Kenanga Group remains vigilant in refining and strengthening our controls.

UPHOLDING HIGH STANDARDS OF CORPORATE GOVERNANCE ●

The Board exercises vigilance over ethics and compliance risks to ensure effective implementation of management strategies, frameworks, and policies. In collaboration with all stakeholders, GRCS endeavours to harmonise business direction with the established strategies, frameworks, and policies, fostering a culture where professionalism, ethics, and compliance take precedence.

● Anti-Fraud, Bribery and Corruption

Kenanga Group is subject to the provisions of the MACCA along with relevant local laws, rules, and regulations concerning anti-fraud, bribery, and corruption as stipulated by regulatory authorities. In line with this, the Group adopts a zero-tolerance stance towards all manifestations of fraud, bribery, and corruption. We expect our Board, Senior Management, and employees to uphold this approach rigorously. Similarly, the Group requires the same level of commitment from all third parties with whom we engage, regardless of the context or manner of engagement.

The **AFBC Policy**, or Group Anti-Fraud, Bribery, and Corruption Policy, delineates the foundational principles guiding the Group in addressing and mitigating risks associated with fraud, bribery, and corruption across all our operations. This policy outlines the principles concerning top-level commitment, organisation-wide risk assessment, control measures, as well as monitoring and training programmes at Kenanga.

Aligned with the AFBC Policy, the AFBC Reporting Procedure provides detailed guidelines and protocols for the Board and employees regarding the reporting of instances involving fraud, bribery, and corruption, as well as the necessary actions to be taken in response.

● Anti-Bribery and Corruption Risk Assessment

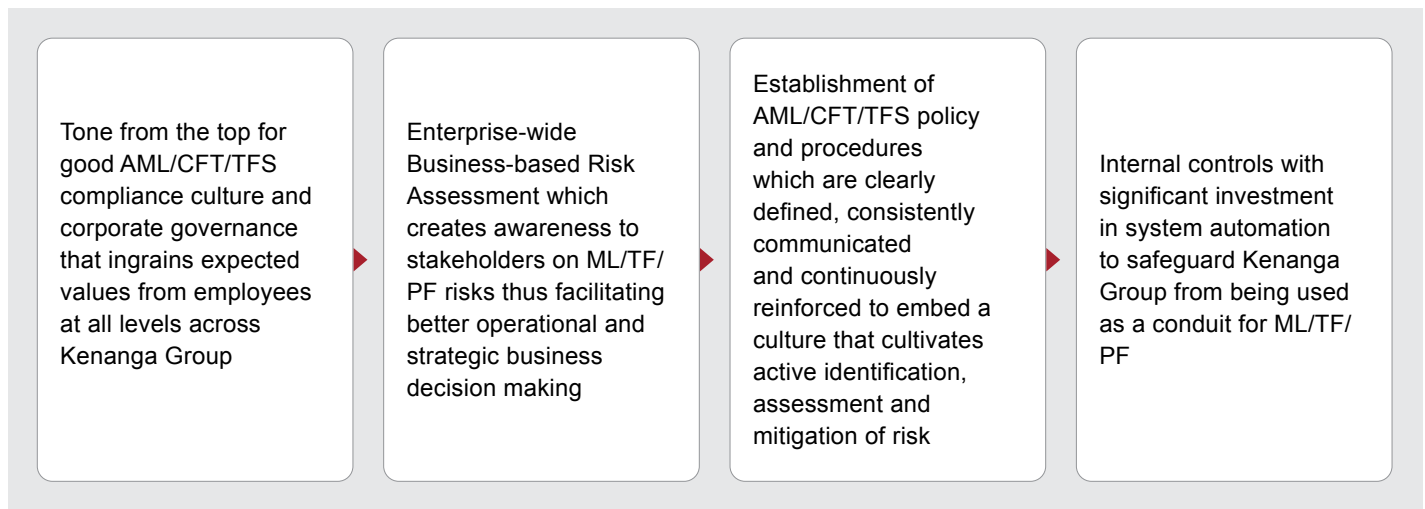
Kenanga Group took proactive steps to assess Anti-Bribery and Corruption (“**ABC**”) risks, engaging Baker Tilly MH Consulting Sdn Bhd (“**BTMHC**”) in 2022, to conduct a thorough review. This initiative, in accordance with the Guidelines on Adequate Procedures, highlights the crucial need for periodic evaluations to ensure adherence to ABC policies and procedures. Encompassing all entities within the Group, the assessment rigorously evaluated the adequacy of our policies, procedures, and controls, emphasising the pivotal role of effectively managing ABC risks throughout our organisation.

The assessment yielded positive results, indicating that Kenanga Group has already implemented and actively monitors high-risk areas effectively. In light of these findings, BTMHC recommended extending the ABC risk assessment to other areas of the Group, aligning with the Securities Commission Malaysia's Observations and Good Practices Relating to Compliance with Corporate Liability Provision. This positive outcome highlights Kenanga Group's commitment to proactively addressing ABC risks and ensuring compliance across all facets of our operations.

● Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“AML/CFT/TFS”)

Progressive financial landscape and robust digital economy in Malaysia have presented intricate backdrop for money laundering. This gives rise to cyber enabled money laundering where some of noticeable trends utilised by the launderers in 2023 are smurfing, money mules and pandemic related frauds such as phishing attacks and online scams.

Kenanga Group responds to these threats by reinforcing its AML/CFT/TFS compliance framework which encompass:



Regulatory awareness and compliance tools are critical components of the fight against ML/TF/PF, helping the Group fulfil our legal obligations, detect suspicious activities, and mitigate risks associated with illicit financial transactions. It also ensures that ML/TF/PF risk considerations are embraced by all employees to protect the Group’s reputation, building trust and brand value for long term sustainability of the organisation.

● Code of Conduct for Employees

Upholding exemplary conduct is paramount in fostering favourable outcomes for our clients, stakeholders, and the broader capital markets community. We enable our employees to prioritise ethical behaviour by establishing transparent expectations outlined in the Group Code of Ethics and Conduct for Employees (“**Employees Ethics Code**”). Additionally, we equip them with the necessary support, tools, and resources to uphold these standards, alongside providing clear guidance on available channels for raising concerns.

Kenanga Group places trust in our employees, and the Employees Ethics Code underscores this trust by affirming that our values manifest in the conduct and behaviour of our workforce. All employees are required to uphold elevated standards of professionalism, integrity, and conscientiousness, ensuring they avoid situations that may compromise their obligations or integrity in interactions both internally and externally.

The commitment of all employees to adhere to the Employees Ethics Code is procured and renewed through a process where all new hires are required to acknowledge their understanding of the Code’s expectations. Similarly, existing employees must provide annual acknowledgments of their understanding to the Code.

ETHICS AND COMPLIANCE STATEMENT

● Whistleblowing

As specified above, Kenanga Group has implemented the Group Speak Up Policy, enabling individuals to voice their concerns regarding any unlawful or irregular behaviours, practices, or omissions.

Out of the eighty-six percent (86%) employees who participated in our biennial Survey on Ethics and Integrity Culture at Workplace 2022, more than ninety percent (90%) expressed confidence in their ability to raise concerns within Kenanga Group without fear of retaliation. This indicates effective communication by the Group regarding our commitment and resolve to address any unlawful or irregular behaviours, practices, or omissions appropriately.

● Managing Conflict of Interest

The Group Conflict Management Policy (“**Conflicts Policy**”) outlines the policies and guiding principles for addressing conflicts of interest. It delineates two (2) main categories: personal and business-related conflicts of interest and specifies the scenarios that may fall under each category. This was implemented to emphasise the significance of identifying potential conflicts that may arise in carrying out employees’ entrusted responsibilities.

In addition to the Conflicts Policy, the Group has adopted the Guidance on Conflict of Interest (“**Conflicts Guidance**”) to offer additional support in recognising and addressing personal and business-related conflicts of interest. This guidance reinforces the shared responsibility of all parties within the Group to identify, report, and address conflicts of interest effectively.

Employees, departments, divisions, and subsidiaries within Kenanga Group must disclose any actual, potential, or perceived conflicts of interest, whether personal or business-related. This mandate is founded on the recognition that such conflicts may compromise the ability to act impartially and in the best interests of the Group, necessitating appropriate steps for effective management.

● Gifts, Entertainment and Hospitality

The Group Gifts, Entertainment, and Hospitality Policy (“**GGEH Policy**”) serves as a control mechanism for situations that may constitute a conflict of interest or could potentially create the appearance of such a conflict in Kenanga Group’s business dealings with external parties. This Policy elucidates Kenanga’s stance on giving and accepting gifts, entertainment, and hospitality in business transactions, while upholding the utmost standards of ethics and integrity.

In addition to outlining the threshold limits and approval procedures for gifts, entertainment, and hospitality that Kenanga employees may offer or receive, the GGEH Policy strictly prohibits employees from offering or accepting such items with the intent to exert undue influence on any party in exchange for business dealings.

● Chinese Wall and Insider Trading

Kenanga Group has an obligation to ensure that information pertaining to its business and clients, and all activities of the clients remain confidential. Hence, the Group Chinese Wall Policy (“**Chinese Wall Policy**”) is developed to manage the flow of confidential and material non-public and price sensitive information (“**MNPI**”) between the divisions and departments of Kenanga.

The Chinese Wall Policy outlines requirements in managing inside information and establishes internal control mechanisms to be adhered by all employees, in order to minimise the risk of insider trading and potential breach of laws and regulations.

Every employee is required to maintain the confidentiality of all MNPI, which comes to their knowledge during the course of their employment and are not to pass any MNPI to any person, unless in accordance with the Chinese Wall Policy.

● Anti-Trust and Fair Competition Practices

Kenanga Group is dedicated to conducting business with fairness, responsibility, and professionalism in all client interactions. The Board and Senior Management establish the ethical standards from the helm, fostering a robust culture of equitable business practices to ensure transparent, ethical, and prudent operations.

The Group Competition Act Compliance Policy (“**Competition Policy**”) outlines the Group’s commitment to fair business practices and prohibits any actions that could be interpreted as anti-competitive. Additionally, the Competition Policy emphasises the importance of maintaining a clear and effective stance to prevent or minimise the risk of competition law violations, as well as aiding the Group’s in promptly identifying any such infringements that may occur.

● Common Reporting Standard

In compliance with the Common Reporting Standard (“**CRS**”) requirements, Kenanga Group had submitted the financial account information of non-resident clients to the Inland Revenue Board of Malaysia (“**IRBM**”) in June 2023. The submission involved ninety-two (92) entities and funds of the Group that have been registered with the IRBM for CRS purposes.

● Foreign Account Tax Compliance

In compliance with the Foreign Account Tax Compliance Act 2010 (“**FATCA**”) requirements, Kenanga Group had submitted the financial account information of US clients to the IRBM in July 2023. The first FATCA reporting involves clients’ information for the year 2014 until 2022.

● Code of Conduct for Vendors

Kenanga Group upholds fair treatment of our vendors, ensuring that our business conduct and behaviour align with our ethical values and principles. Additionally, the Group aims to collaborate with our vendors to work towards the achievement of sustainable development goals.

The Vendors Conduct Code, or Code of Conduct for Vendors, mirrors Kenanga Group’s commitment to ethics and integrity and is founded on maintaining the utmost standards of professional conduct from its vendors. This Code outlines the minimum expectations for general business conduct and ethical practices for all vendors engaged with or performing work for Kenanga Group. Through the Vendors Conduct Code, the Group takes a proactive approach to ensuring that parties it interacts with share a dedication to exemplary values.

PROVISION OF TRAINING AND AWARENESS PROGRAMMES ●

Kenanga Group acknowledges the vital role of effective communication in ensuring that employees comprehend their roles and responsibilities, thereby safeguarding the interests of both the Group and our stakeholders. As such, GRCS maintains active engagement with employees including through training and awareness programmes, ensuring they remained abreast of updated and pertinent information, including the latest regulatory updates and ongoing initiatives aimed at enhancing ethical culture and corporate governance practices.

A diverse array of methods was employed to effectively implement the training and awareness programmes. These included leveraging video-sharing platforms to deliver engaging and informative content to employees, facilitating interactive quizzes to reinforce key concepts and promote active learning, hosting webinars to provide in-depth discussions and opportunities for real-time interaction, and conducting annual e-tests to assess employees’ understanding and retention of essential information. This multifaceted approach ensured that employees received comprehensive training and remained well-informed about changes that would affect Kenanga Group.

● Fraud Awareness Campaign

Since 2015, Kenanga Group has been a Corporate Alliance Partner of the Association of Certified Fraud Examiners (“**ACFE**”). This partnership programme underscores the Group’s dedication to combating fraud by offering educational opportunities and establishing a tone of integrity from the highest levels of leadership.

As an integral component of the Group’s annual Fraud Awareness Campaign, the 7th Fraud Awareness Week (“**FAW**”) was once more conducted in 2023 under the theme Embracing Disruption, Pioneering Change, Unwavering Integrity. The FAW’s initiatives and activities spanned five (5) weeks, commencing on 10 October 2023, and culminating with the International FAW of the ACFE from 12 November 2023 to 18 November 2023.

In addition to advancing fraud prevention and detection, the FAW aims to emphasise Kenanga Group’s dedication to ethical and moral principles in fostering good governance and cultivating a corporate culture that thrives amidst evolving regulatory landscapes. This aligns with the United Nations Global Compact’s 10th Principle, which highlights the imperative for businesses to combat corruption comprehensively.

The 7th FAW further demonstrated the Group’s commitment to the ‘Governance’ pillar, aligning with our efforts to ensure environmental, social and governance (“**ESG**”) compliance. Building upon an internal campaign initiated six (6) years ago to raise awareness about the significance of combating fraud within the financial industry, the Group remains dedicated to emphasising the importance of accountability, integrity, and good governance to an expanded audience.

ETHICS AND COMPLIANCE STATEMENT

● Fraud Awareness Campaign (Cont'd)

● FAW Virtual Opening Ceremony

The Virtual Opening Ceremony of the 7th FAW was broadcasted 'live' on 14 November 2023. The Ceremony featured pre-recorded presentations and discussions with esteemed speakers, offering insights and updates on ongoing efforts in combating fraud, bribery and corruption. These discussions also provided valuable perspectives from experts in the field, shedding light on the latest developments and strategies in anti-fraud and anti-corruption initiatives.

The Chief Commissioner of the Malaysian Anti-Corruption Commission, Tan Sri Dato' Seri Panglima Haji Azam Bin Baki; the President of the ACFE, Mr. John D. Gill; and the Chairman of Kenanga Investment Bank Berhad, Tan Sri Dato' Seri Syed Anwar Jamalullail, were featured as speakers during the Group's 7th FAW Virtual Opening

Ceremony. Additionally, Ms. Maheswari Kanniah, Kenanga Group's Group Chief Regulatory and Compliance Officer, moderated a thought-provoking session which involved an insightful discussion with Mr. Billy McFarland, a convicted fraudster notorious for his involvement in the infamous Fyre Festival. The conversation delved into the intricacies of the event, providing valuable insights into the complexities of fraud and its implications.

In 2023, the FAW Virtual Opening Ceremony garnered a total of seven hundred and thirty-five (735) viewers, with three hundred and fifty-one (351) viewers hailing from external entities. This marked a notable uptick of nearly ten percent (10%) in total viewership compared to the FAW Virtual Opening Ceremony held in 2022.

● FAW Games

A total of two hundred and nineteen (219) teams participated in the FAW Games, comprising one hundred and fifty-two (152) internal teams and sixty-seven (67) external teams, representing an increase of approximately seventeen percent (17%) in the overall participation compared to the previous year's FAW Games in 2022. The external teams were representatives from forty-two (42) regulatory, enforcement, and professional bodies, financial institutions, listed companies, as well as vendors associated with Kenanga Group. Notably, this year saw the inclusion of seven (7) teams from organisations based in Indonesia, Singapore, United Arab Emirates, and South Africa.

The FAW Games 2023 comprised a series of nine (9) rounds, each showcasing friendly tournaments featuring an array of engaging and intellectually stimulating virtual anti-fraud challenges. These rounds served as avenues for educational enrichment, fostering collaboration and critical thinking skills among participants. The activities aimed to effectively disseminate and instil the anti-fraud message, encouraging proactive decision-making and vigilance against fraudulent activities.

● FAW Talk at Faculty of Law, University of Malaya

In collaboration with the esteemed Faculty of Law at the University of Malaya ("UM"), Kenanga Group presents a Talk Session in UM as part of this year's FAW. Serving as a crucial element of the Group's social outreach programmes aligned with the ESG framework, this strategic initiative seeks to raise awareness of fraud prevention and detection within the local community, particularly among students of the Faculty of Law at the University.

In addition to the customary FAW initiatives, the Talk Session underscores Kenanga Group's strong dedication to fostering a culture of governance and transparency both within the organisation and throughout the community.

Speakers at the talk session included Chairman of the Board of Directors at UM, Tan Sri Zarinah Anwar; the Head of Asia-Pacific Development at the ACFE, Mr. Ganeshwaran Thuraisingham; the Director of Community Programme at the Malaysian Communications and Multimedia Commission, Puan Hashimah Hashim; ASP Pegawai Penyiasat Jenayah at Jabatan Siasatan Jenayah Komersil Ibu Pejabat Polis, Bukit Aman, Puan Nor Sharina Binti Mohd Amin; and the Dean of Faculty of Law at UM, Professor Jason Chuah.

● **Annual Regulatory Seminar**

The 8th Annual Regulatory Seminar (“**ARS**”) in 2023 was again integrated as part of the events for the 7th FAW. Consistent with the FAW’s goal of tackling contemporary key issues, the theme of the 8th ARS was aligned accordingly. The 8th ARS comprised a comprehensive a 9-series e-learning programme covering vital subjects and messages pertinent to the regulatory landscape, fraud detection, ethics and integrity, governance, cyber security, and regulators’ expectations.

Training sessions were led by a diverse array of subject-matter experts from within Kenanga Group, as well as invited speakers. These pre-recorded sessions were made available online to

all employees nationwide through Kenanga’s learning portal. Additionally, a brief pre-and-post quiz was administered as a means to assess employees’ comprehension of the covered topics.

A total of one thousand one hundred and fifty-four (1,154) employees registered for the 8th ARS. Upon successfully completing the quiz and attaining a minimum score of eighty percent (80%) within the specified timeframe, employees holding the Capital Markets Services Representative’s Licence were eligible to receive ten (10) CPE points accredited by the Securities Industry Development Corporation.

● **Monday Must-Know Quiz**

Monday Must-Know Quiz (“**MMKQ**”) represents another significant training and awareness initiative at Kenanga Group. This quiz, mandatory for all employees, covers a wide range of topics with a primary emphasis on ethics and regulatory compliance. It serves as an essential refresher, reinforcing employees’ understanding of the Group’s policies and procedures in these areas. Through MMKQ, employees continually update their knowledge and stay aligned with evolving regulatory standards and ethical guidelines.

There were four (4) sets of a five (5) multiple-choice questions quiz issued in 2023 based on a short video and material on the following topics:

Business Ethics	Financial Crimes	Speak Up	Gifts, Entertainment and Hospitality
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Each MMKQ was released on the first Monday of four (4) designated months throughout 2023 and remained accessible for employee participation until the conclusion of the year. This extended timeframe allowed employees ample opportunity to engage with the quiz at their convenience and ensure comprehensive understanding of the covered topics over an extended period.

● **Scam Awareness Video – “Stay Alert, Invest Safely”**

As part of Kenanga Group’s on-going efforts to raise regulatory awareness, the Group had on 1 November 2023 rolled out the Scam Awareness Video – “Stay Alert, Invest Safely”. This awareness video is targeted to investors, dealers’ representatives, remisiers and employees of the Group with the objective to:

Create financial literacy of the investors by enhancing their awareness on types of scams and ways to protect themselves being scammed	Provide information on Kenanga Group scams reporting channels if investors suspected their accounts have been compromised or they have been scammed	Broaden public awareness in relation to digital onboarding
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This video is available in Kenanga Group’s website and social media platforms.

ETHICS AND COMPLIANCE STATEMENT

● Enhanced AML/CFT/TFS Review

In demonstrating the Group's ongoing commitment in combating ML/TF/PF risks, we continuously refine and enhance our Anti-Money Laundering ("AML") programmes. Our rigorous AML programme reviews stand as a testament to our unwavering dedication to safeguarding the integrity of our operations and the financial system at large.

At the heart of our enhanced AML programme reviews lies a comprehensive framework designed to detect and deter illicit activities effectively. Through a multi-faceted approach, we systematically assess and strengthen our defences against money laundering risks, ensuring robust compliance with regulatory requirements and industry best practices.

Key components of our enhanced AML programme reviews include:

Risk Assessment

We conduct thorough risk assessments to identify and prioritise areas of vulnerability. By analysing emerging threats and evolving regulatory landscapes, we proactively adapt our strategies to mitigate potential risks effectively.

Training and Awareness

We empower our personnel with comprehensive training and ongoing awareness initiatives. By fostering a culture of compliance and vigilance, we equip our teams with the knowledge and tools necessary to identify and report suspicious behaviours effectively.

Enhanced Due Diligence ("EDD")

AML programme reviews scrutinised EDD processes to ensure thorough customer profiling and ongoing monitoring. Through in-depth investigations and enhanced monitoring, we fortify our defences against money laundering schemes.

Continuous Evaluation and Improvement

Continually evaluate and refine our AML programme. Through regular audits, assessments, reviews carried out on a group-wide basis and feedback mechanisms, we identify areas for improvement and implement necessary enhancements to strengthen our defences.

In the ever-evolving landscape of financial crime, our enhanced AML programme reviews serve as a cornerstone of our commitment to integrity, transparency, and regulatory compliance. By remaining vigilant and adaptive, we reaffirm our dedication to combating money laundering and preserving the integrity of the global financial system.

MAINTAINING A HIGH LEVEL OF CORPORATE GOVERNANCE

Details on Kenanga's corporate governance disclosure are available in the Corporate Governance Overview Statement appearing on pages 67 to 97 of this Annual Report and Corporate Governance Report which is available at Kenanga's website at <https://www.kenanga.com.my>.

OUR FOCUS AND STRATEGIC PRIORITIES FOR 2024 ●

As the spotlight on ESG principles intensifies, spurred by heightened investor interest and the influx of new regulations surrounding socially responsible investment, the significance of the 'Governance' pillar has reached paramount importance for Kenanga Group. Amidst this evolving landscape, the Group consistently ensures that our sustainability journey is not only comprehensive but also meticulously balanced.

Kenanga Group remains resolute in our pursuit of excellence and recognises that robust Governance frameworks serve as the bedrock for sustainable business operations. Our dedication to ESG best practices is not just a strategic manoeuvre; it is a testament to our firm commitment to responsible stewardship and enduring value creation. By prioritising transparency, accountability, and ethical decision-making, we fortify our position for long-term resilience and success.

In this respect, the Group and GRCS continue to uphold a robust compliance strategy and maintain operational transparency. This dedication underscores our pledge to cultivate a regulatory framework of the highest calibre and conduct our business and operations in strict accordance with the principles of good corporate governance.

● Advancing Technological Integration and Innovation

Kenanga Group has embraced a governance strategy centred on integrating risk-based approaches into compliance best practices, complemented by appropriate controls that align with laws, regulations, and industry standards. With the increasing provision of services in the digital realm, it is imperative that we evolve to continuously update and adapt our compliance requirements to the ongoing digitalisation, ensuring our continued significance and relevance in the dynamic landscape.

Simultaneously, the Group remains vigilant in tracking the evolution and amendments of regulations to enhance compliance effectiveness. Remaining abreast of innovations and consistently aligning with regulatory requirements, we endeavour to leverage new technologies essential to our business and operational units. Our focus remains on not only developing but also harnessing these advancements while maintaining an effective compliance strategy that adapts seamlessly to the changing landscape.

● Bolstering Measures Against Financial Crimes

Financial institutions worldwide are facing challenging circumstances where they are expected to facilitate transactions at lightning-fast pace while ensuring their institutions are not abused by criminals to profit via systematic illegal activity.

Kenanga Group is no exception and takes a zero-tolerance stance towards financial crimes in all of their business dealings whether concerning employees, clients, suppliers, contractors or other third parties and this is demonstrated via Kenanga Group's comprehensive AML/CFT/TFS framework.

The integration of a robust ESG compliance strategy with an effective AML regulatory framework enables the Group to identify and address a broader range of risks, including those related to environmental and social issues, alongside traditional financial risks associated with money laundering and illicit financing. While ensuring compliance with the evolving regulatory requirements and demonstrating a proactive approach to meeting emerging standards related to sustainability and responsible business conduct, we are also able to make Informed and responsible decisions that align with our values and long-term sustainability objectives.

● Cultivating a Culture of Open Communication

Kenanga Group reaffirms our enhanced commitment to fostering a respectful and inclusive workplace environment. We will persistently prioritise the importance of encouraging employees to speak up and report any instances of wrongdoing or policy breaches. This emphasis will be emphasised through direct communication with superiors or utilising designated channels within the Group, such as the Speak Up channel, ensuring transparency and accountability throughout the organisation.

Building upon this commitment, the Group sends a resounding message to all employees and stakeholders that adverse organisational practices will not be condoned. This proactive stance not only highlights our commitment to upholding ethical standards but also reassures employees and stakeholders that their concerns hold significance. By fostering an environment where issues are addressed promptly and effectively, the Group encourages open dialogue and demonstrates our dedication to accountability and transparency.

● Enhancing Oversight and Monitoring Processes

Kenanga Group holds firm expectations for all our businesses to uphold ethical principles and integrity, ensuring compliance with relevant laws, regulations, and internal policies. Our ethics and compliance programmes are designed to mitigate and address potential adverse impacts arising from business conduct and the delivery of the Group's products and services. These efforts encompass a range of areas, including fraud, bribery, corruption, money laundering, as well as safeguarding employees and human rights.

As part of our ethos of responsible business conduct, the Group will persistently evaluate our risk-based due diligence processes. This continuous assessment is aimed at ensuring the implementation of robust and appropriate ethics and compliance programmes to prevent and mitigate negative impacts resulting from potential failures. We will oversee the implementation of these programmes through ongoing monitoring and assessments across all facets of Kenanga Group's business operations.

● Fostering a Culture of Ethics and Integrity

An effective ethics and compliance programme is instrumental in cultivating a culture of integrity, where every member of the organisation embodies the principles they advocate. At Kenanga Group, we firmly assert that a fortified ethical culture, underscored by diversity and inclusion, fosters heightened employee engagement, thereby driving enhanced efficiency and productivity. Such a culture not only instils a sense of accountability at all levels but also ensures that employee concerns are consistently addressed through a harmonious blend of top-down leadership and bottom-up feedback mechanisms.

As part of our ongoing efforts, the Group actively promotes and reinforces ethical behaviours throughout our operations. Employees at all levels are dedicated to upholding integrity and high standards in their conduct. We continue to prioritise instilling a strong sense of consciousness among our workforce, encouraging them to consistently demonstrate professionalism, integrity, and conscientiousness in their interactions, both within the organisation and with external parties.

ETHICS AND COMPLIANCE STATEMENT

● Securing Data Privacy Amidst Digital Transformation

Kenanga Group views digital transformation as an essential measure to safeguard its business operations while prioritising data protection and security throughout the digitalisation journey. This encompasses migrating business processes to automation, introducing e-services, and embracing advancements in payment technologies. Leveraging new and innovative technologies will foster creativity and enable the development of solutions that not only meet regulatory standards but also uphold data integrity.

In alignment with this dedication, the Group places significant importance on safeguarding personal data and maintaining electronic or hard copy records used in all business activities. These security measures encompass ensuring compliance with policies regarding data use, storage, dissemination, protection, and access, while also managing the rights of data owners in accordance with applicable laws and regulations.

● Strengthening Awareness and Training Efforts

Kenanga Group recognises the critical role of active stakeholder engagement and keeping employees updated on regulatory changes. Transparent and inclusive communication is key. We are constantly seeking new ways to enhance employee communication, including using digital technology for training to reach a broader audience effectively. This highlights our commitment to prioritising awareness and training initiatives.

We consistently introduce dynamic learning opportunities, employing interactive activities to involve employees at every level. These initiatives centre on instilling the significance of ethics, integrity, and combatting financial crimes, while fostering strong governance and equitable treatment for all. Our training and education endeavours are meticulously crafted to stay current, ensuring they remain engaging and pertinent. Through these efforts, we empower employees to continuously expand their knowledge and comprehension. This demonstrates our relentless pursuit of organisational excellence and ongoing growth.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Kenanga Group stands at the forefront of embracing new business challenges and emerging technologies, charting a course toward future growth while firmly upholding our core principles of ethics and compliance.

Our enduring commitment to these principles forms the core of our operations, ensuring that integrity remains at the heart of everything we do. This commitment is not just a mere aspiration; it is deeply ingrained in our corporate culture, reinforced by the resolute support of our esteemed Board and Senior Management. Moreover, it is the collective effort and collaboration of every employee that amplifies our commitment, underscoring our dedication to excellence and integrity in all facets of our business endeavours.

Our commitment to excellence and integrity positions us to elevate our standards, meeting the evolving needs of our clients and the expectations of regulators. This entails a strong dedication to supporting sustainable and responsible investments, ensuring that our actions not only comply with laws but also align with stakeholders' desires. To achieve this, we will continually assess our policies and internal controls, fostering effective and relevant decision-making processes that prioritise regulatory compliance and stakeholder satisfaction. Through these efforts, we reaffirm our commitment to upholding the highest standards of ethics and integrity while driving sustainable growth and value for all stakeholders.