

For Immediate Release**Hong Leong Capital Group Records a Net Profit
Attributable To Shareholders of RM132.4 Million for its 9
Months Financial Results Ended 31 March 2021**

KUALA LUMPUR, 27 MAY 2021 - Hong Leong Capital Berhad (“HLCB” or the “Company”) today announced the results of the Company and its subsidiaries (“HLCB Group”) for nine months ended 31 March 2021 (“9MFY21”).

- The Group recorded a net profit attributable to shareholders of RM132.4 million, an increase of 128.7% year-on-year (“y-o-y”) for the period due to much stronger contributions from its key operating subsidiary; Hong Leong Investment Bank Berhad (“HLIB” or the “Bank”).
- Book value per share increased from RM3.48 as at 30 June 2020 to RM3.72 as at 31 March 2021.

HLCB’s Chairman, Tan Kong Khoon commented, “We continue to deliver solid performance across our core operating businesses in 9MFY21. The Group’s overall results remain resilient in the midst of an economy being impacted by the on-going COVID-19 pandemic and tight containment measures. In such times, we continue to enhance our business continuity measures and prudently manage the key business risks. We expect the strength of our liquidity, capital and credit discipline to serve us well as we maintain our strong focus on risk management. In respect to business, we continue to further strengthen our digital strategy in building long term sustainable value for our shareholders.”

Investment Banking

- Our investment banking subsidiary, HLIB’s net profit after tax increased 135.5% y-o-y to RM110.2 million, supported by higher profit contribution from its stockbroking division and investment banking division. HLIB contributed 81.5% of HLCB Group’s profit before tax.
- Our stockbroking division continued to benefit from higher market activity for the period ended 31 March 2021, with transaction volume increasing by 159% y-o-y. The significantly higher retail participation during this period has also led HLIB to achieve a higher market share. Profit contribution for this period increased by 3.6 times compared to the corresponding period of the previous financial year.

- The better performance of the investment banking division was underpinned by stronger revenue from treasury and markets, as well as improved deal flows from the debt and equity market units during the period.
- The Bank continued to exercise fiscal prudence and our operating expenses (“Opex”) remained tightly controlled with Cost-to-Income ratio improving to 41.2%. The Bank will continue to focus on strategic cost management initiatives to manage our cost structure.
- Capital position remained robust, with Common Equity Tier 1, Tier 1 and Total Capital Ratios improved from 35.5%, 35.5% and 46.1% as at 30 June 2020 to 36.0%, 36.0% and 46.7% respectively as at 31 March 2021.

Fund Management and Unit Trust Management

- The fund management business of HLCB Group, undertaken via our subsidiary, Hong Leong Asset Management Berhad Group (“HLAM”) recorded a drop in profit by 13.3% due to lower average assets under management (“AUM”) during this period compared to the same period ending 31 March 2020. The overall low interest rate environment also saw a slight compression in our annual management fee rate.
- The low interest rate coupled with mobility restrictions imposed under the MCO had led to renewed interest in the stock markets. Trading volumes surged and many investors took the opportunity to switch out of money market funds into equity investments in search of higher investment return. HLAM also experienced similar withdrawals on some of the money market funds under our management.
- For the calendar year 2021, HLAM continued to focus and emphasise on fund performance, winning 9 individual Refinitiv Lipper Fund awards and the Best Equity Group - Provident Group award (for EPF approved funds only), which is a highly coveted award.
- The Islamic fund management subsidiary of HLAM, Hong Leong Islamic Asset Management (“HLISAM”) which started its business operations in January 2020 had encountered limitations in their marketing activities due to the MCO. For the coming months, the team will work closely with HLAM, their distributors and clients via the digital platform and virtual engagements to build AUM.

End

About Hong Leong Capital Group

Hong Leong Capital Berhad (“HLCB”) is an investment holding company of the investment banking and asset management business group under Hong Leong Financial Group. It aims to be a leading regional financial services institution providing diversified clients with a full range of value propositions and financial solutions in the areas of investment banking, stockbroking, futures broking, nominees and custodian services, unit trust and fund management and related financial services, and investment management services. These segments are serviced by HLCB’s key operating subsidiaries, namely Hong Leong Investment Bank Berhad (“HLIB”) and Hong Leong Asset Management Berhad (“HLAM”).

Supported by strong business acumen, its firm foundation of values, efficient customer support, and distribution and communications channels, HLCB, together with HLIB and HLAM, are focused on assisting its wide range of clients in achieving superior long term risk-adjusted returns.

For further details, visit www.hlcap.com.my or www.bursamalaysia.com, and for further clarification, please contact:

Investor Relations

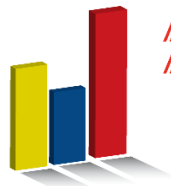
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Hong Leong Capital Berhad is a subsidiary of:

 **HongLeong Financial Group**

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BY BALANCE SHEET, 2020

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