

Hong Leong Capital Records Net Profit of RM61.2 Million for its Nine months Financial Results Ended 31 March 2024

KUALA LUMPUR, 30 MAY 2024 - Hong Leong Capital Berhad (“HLCB” or the “Company”) today announced the third quarter results of the Company and its subsidiaries for the financial period ended 31 March 2024 (“9MFY24”).

- HLCB recorded higher net profit after tax of RM61.2 million, increasing by 46.2% year-on-year (“y-o-y”) mainly attributable to the better performance of our key operating subsidiary, Hong Leong Investment Bank Berhad (“HLIB” or the “Bank”) and HLCB’s proprietary investment.
- Book value per share increased to RM4.20 as at 31 March 2024 from RM4.09 as at June 2023.

Hong Leong Capital Berhad’s Chairman, Tan Kong Khoon commented, “The strong 9MFY24 performance reflects the strength of the business and our ability to take advantage of opportunities as they arise. Bursa Malaysia continued its upbeat momentum, ending higher at 1563 point on 31 March 2024, 11.5% increase from the start of the financial year. This growth is underpinned by vibrant trading activities on Bursa Malaysia, with the average daily trading volume expanding by 32.8% to RM2.71 billion compared to the same period last year, boosting our stockbroking division’s performance.

Looking ahead, the Malaysian economy is projected to expand moderately in 2024, supported by an uptick in external trade, a stable labour market and resilient domestic demand. We are optimistic on our stockbroking division performance for the remainder of our financial year; however, we maintain a cautious stance on the capital market given the uncertainties in the global economic landscape.

Our focus remains steadfast on delivering sustainable business performance and creating long-term value for all stakeholders. This includes rolling out new product offerings and continuously investing in technology while remaining disciplined in managing our capital, liquidity and cost efficiencies.”

Investment Banking

- The Company’s investment banking subsidiary, HLIB reported a net profit after tax of RM32.2 million, marking a 17.1% y-o-y increase, driven by higher profit contribution from our stockbroking division.
- Our stockbroking division’s performance remained strong for the financial period 9MFY24, with an improved market share of 3.99%, up by 0.18% y-o-y. This growth was supported

by a 32.8% increase y-o-y in Bursa Malaysia average daily trading volume to RM2.71 billion.

- As we continue to emphasise product innovation as our core value, HLIB launched a new innovative Flexi-Trade stockbroking product in 2024 that offers a hybrid features of both cash and collateralised shares to meet the diversified needs of our customers. Additionally, we are also in the process of digitalising the account opening processes for investment in Shariah products to expedite account opening turnaround for our customers.
- Our stockbroking division received market recognition and was named 2nd runner up for Best Retail Equities Participating Organisation (Investment Bank) in Bursa Excellence Awards 2023 for the 5th consecutive year.
- Our investment banking division's profit before tax was 45.3% lower y-o-y largely attributable to the higher cost of funding resulting in much lower net interest income and consequently reduced profits from our treasury & markets operations. This was partially offset by improvements in deal flows from our Debt Markets following completion of key mandates. On the Equity Market front, performance was impacted by longer-than-anticipated completion timeline of our mandated deals.
- The Bank's capital position remained robust with Common Equity Tier 1, Tier 1 and Total Capital Ratios at 29.6%, 29.6% and 37.8% respectively as at 31 March 2024.

Fund Management and Unit Trust Management

- HLCB's fund management business operating under Hong Leong Asset Management Bhd ("HLAM") and HLAM's subsidiary, Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM"), achieved a net profit after tax of RM5.7 million, a decrease of 7% y-o-y. This decline was primarily due to lower average asset under management ("AUM") for the period and ongoing investments cost incurred to expand our distribution channels.
- HLAM's average asset under management ("AUM") decreased by 11% y-o-y to RM9.9 billion, largely due to redemption in its Fixed Income Funds and Money Market Funds. HLAM managed to maintain stable revenue y-o-y through active management of its net fee income margin, at RM34.9m, up 1% y-o-y. Our Islamic average AUM under HLISAM recorded exponential growth, increasing by 112% y-o-y to RM1.3 billion, bolstered by strong performance in its Fixed Income Funds.
- HLAM's funds, Hong Leong Dana Makmur and Hong Leong Dana Maa'rof, were awarded with a total of five awards at the Refinitiv Lipper Fund Awards Malaysia 2024. These awards are a testament to HLAM's continued excellence in fund management.

Sustainability Journey

- Since embarking on its sustainability journey in 2022, HLIB has successfully completed RM7.2 billion worth of ESG/sustainability financing as at 9MFY24, earning 11 accolades

for transactions in renewable energy, green building, and social aspects. Additionally, HLIB facilitated the first ESG IPO on Bursa Malaysia, focusing on energy savings, cost reduction, and performance improvement. Presently, there are RM3.0 billion worth of debt programmes in the pipeline to support various customers' ESG/sustainability projects, with RM2.0 billion issuances set to be completed in the next 6 months. HLIB is also introducing its first green Tier-2 capital to fund lending and investment activities under its Green Framework, demonstrating its unwavering commitment to playing a pivotal role in building a sustainable future for generations to come.

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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 Bhd ("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:

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