

## **Hong Leong Capital Records a Net Profit of RM97.9 Million for its Financial Year Ended 30 June 2024**

**KUALA LUMPUR, 29 AUGUST 2024** - Hong Leong Capital Berhad (“HLCB” or the “Company”) today announced the results of the Company and its subsidiaries for the financial year ended 30 June 2024 (“FY2024”).

- HLCB reported higher net profit after tax of RM97.9 million, an increase of 96.3% year-on-year (“y-o-y”) driven by strong performance across its operating subsidiaries, namely Hong Leong Investment Bank Berhad (“HLIB” or the “Bank”) and, Hong Leong Asset Management Bhd (“HLAM”); while higher return was also achieved through HLCB’s equity investment.
- Book value per share increased to RM4.36 as at 30 June 2024 from RM4.09 as at 30 June 2023.
- The Board of Directors had declared a final dividend of 22.0 sen per ordinary shares, an increase of 5 sen from last year amounting to RM54.3 million.

**Hong Leong Capital Berhad’s Chairman, Tan Kong Khoon** commented, “Our solid performance in FY2024 reflects the resilience of our strategic priorities and the management team’s strength in capturing opportunities as they arose. On the back of an improving economy driven by higher exports, more foreign direct investments, accommodative monetary policies, our stockbroking division was bolstered by an increase in market share and Bursa Malaysia’s vibrant trading activities, with FTSE Bursa Malaysia KLCI surging by 16% through our financial year while our Debt & Equity Market teams were able to complete more Debt Issuances and equity related mandates.

Looking forward, the Malaysian economy is expected to continue its strong momentum, buoyed by stable employment levels, continued recovery in tourism, income supporting policies and a rise in investment and trade activities. We remain optimistic that the trading momentum on Bursa Malaysia will carry through the rest of year 2024. Nevertheless, we remain cautious on the capital markets given the uncertainties in the geopolitical and global economic environment.

Overall, we will continue to focus on executing our strategic priorities to deliver sustainable business performance and create long-term value for all stakeholders. Additionally, we will continue to exercise disciplined management of our capital, liquidity and cost efficiency. Guided by our Sustainability Framework, we are committed to play our role as a responsible financial services provider by actively engaging on sustainability linked investment and financing activities.”

**Investment Banking**

- Our investment banking subsidiary, HLIB registered a net profit after tax of RM53.0 million, representing a 57.2% y-o-y growth. This growth was contributed by both the stockbroking and investment banking division respectively.
- Our stockbroking division staged a strong rebound in FY2024, registering a 72.9% increase in profit before tax (“PBT”) of RM50.9 million. This strong performance is driven by a buoyant year for Bursa Malaysia, which saw total traded value climbed to RM731 billion, with an average daily trading value of RM3.0 billion compared to previous financial year of RM485 billion and RM2.0 billion, respectively. Our overall market share had also improved by 0.23% to 4.08% in FY2024, primarily fueled by growth from our institutional client segment.
- Our stockbroking division has collaborated with Shopee on the popular online shopping platform, making us the first bank in Malaysia to provide such an offering. This innovative initiative would further expand our reach and accessibility to a wider spectrum of customers.
- The investment banking division recorded a 58.1% increase in PBT, amounting to RM20.7 million, contributed mainly by our Debt and Equity Market teams. Our Debt Market division registered growth in income following completion of key transactions including five Environmental, Social and Governance (“ESG”)/sustainability related financing transactions. Meanwhile, the Equity Market division also mirrored similar growth in FY2024, marked by the execution of HLIB’s first ESG IPO on the ACE Market of Bursa Malaysia, raising RM58.9 million and other equity related structured deals. Our Treasury & Markets division performance faced challenges from persistently elevated funding cost, resulting in much lower net interest income but were able to mitigate some of this pressure through their commendable trading performance.
- The Bank’s capital position remained robust with Common Equity Tier 1, Tier 1 and Total Capital Ratios at 35.8%, 35.8% and 45.2% respectively as at 30 June 2024.

**Fund Management and Unit Trust Management**

- HLCB's fund management business operating under HLAM and HLAM’s subsidiary, Hong Leong Islamic Asset Management Sdn Bhd (“HLISAM”), delivered a 99.4% growth in net profit after tax of RM15.2 million. This strong growth was underpinned by performance fees earned from managing private mandates for corporate clients, underscoring our effective management and investment strategies.

- HLAM's average Assets Under Management ("AUM") moderated in FY2024 to RM9.5 billion compared to previous financial year of RM10.9 billion, driven by redemptions in Fixed Income funds. Nonetheless, HLAM's strategic initiative to diversify the AUM by expanding the Equity funds resulted in a 3.8% increase in average Equity AUM, which now stands at RM3.6 billion. Our Islamic funds managed under HLISAM recorded exponential growth in its average AUM, with 101% increase to RM1.4 billion, fueled by strong performance in the Fixed Income funds, further solidifying our presence in the Islamic funds space.

### **Sustainability Journey**

- HLCB's strategic focus in strengthening our financial services and advisory works in sustainability financing has gained much market traction and recognition. The achievements to-date were not only from the perspective of completed amount but also the diversities of the transactions and financing structures, which included renewable energies and utilities, green buildings and sustainability-linked offerings. HLIB has also recently earned the award for Best ASEAN Green SRI Sukuk (Renewable Energy / Solar) - Best in Sustainable Finance and Best Deals by Country by The Asset Triple A for one of its sustainability financing deals. In FY2024, HLIB completed five ESG/sustainability related financing transactions with total issuances of RM1.78 billion.
- In May 2024, HLIB established its Green Bond framework setting clear internal guidelines for green bond investment and financing purposes in accordance with acceptable market standards and principles. Following the establishment of its Green Bond framework, HLIB issued its first Green Tier-2 capital of RM100 million in June 2024, adhering to the Green Bond Principles issued by International Capital Market Association and the ASEAN Green Bond Standards issued by ASEAN Capital Markets Forum, underscoring our commitment to sustainable investment and financing.
- On the social aspect, HLAM and HLISAM together with employees of HLCB Group participated in the Well Project 2024 and Eidul-Adha Qurban Program organised by Amalfya to resolve water scarcity and aid malnourished communities in Tanzania and Malawi.

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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](http://www.hlcap.com.my) or [www.bursamalaysia.com](http://www.bursamalaysia.com), and for further clarification, please contact:**

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