

## **Hong Leong Capital Records a Net Profit of RM16.5 Million in its First Quarter Financial Results Ended 30 September 2024**

**KUALA LUMPUR, 28 NOVEMBER 2024** - Hong Leong Capital Berhad (“HLCB” or the “Company”) today announced the results of the Company and its subsidiaries for the financial period ended 30 September 2024 (“1Q FY25”).

- HLCB registered a net profit after tax of RM16.5 million for 1Q FY25, compared to corresponding period in the previous year of RM22.7 million. The results were primarily impacted by lower income from investment banking and asset management, as well as lower equity investment returns.
- Book value per share increase to RM4.22 as at 30 September 2024 from RM3.99 a year ago

**Hong Leong Capital Berhad’s Chairman, Tan Kong Khoon** commented, “The Group posted a respectable 1Q FY25 performance in light of the volatile capital market conditions, which resulted in lower equity investment gains and the delay in completion of customer mandates in the pipeline. Nonetheless, we are encouraged to see continued improvement in stockbroking performance in line with higher trading volumes on the local bourse.

Looking ahead, the Malaysian economy is expected to remain favourable, buoyed by stable employment, supporting income-enhancing policies, growth in investments and positive export growth. Nevertheless, we remain cognisant of the downside risks, predominantly stemming from uncertainties in the geopolitical and global economic environment.

Overall, we remain resolute in our strategic focus of elevating our digital capabilities, driving product innovation as well as maintaining our cost and capital discipline to capitalise on emerging opportunities and deliver long-term shareholder value.”

### **Investment Banking**

- Our investment banking subsidiary, Hong Leong Investment Bank Berhad (“HLIB”) registered a net profit after tax of RM12.6 million, a modest decline of 2% y-o-y arising from lower profit contribution from our investment banking division.
- Our stockbroking division maintained its momentum in 1Q FY25, achieving profit before tax (“PBT”) of RM13.6 million, marking 28% increase over the previous year of RM10.6 million. This performance was bolstered by higher Bursa Malaysia’s trading activities, where total traded value reached RM243 billion, with an average daily trading value of RM3.8 billion, an increase of 70% y-o-y. However, our overall market share declined by 0.39% y-o-y to 3.96%, driven by the increase of foreign institution flows, of which HLIB

have limited participation. Meanwhile, our domestic retail and institutional market share grew by 1.47% and 0.26%, respectively, reaching 9.65% and 5.15%.

- Our investment banking division registered PBT of RM2.9 million, a decline of 53% y-o-y. This was primarily driven by lower profit contribution from our Debt Markets and Treasury & Markets (“T&M”). Our Debt Markets’ performance was impacted by the delay in the completion of mandated deals, while our T&M performance was impacted from mark-to-market decline on hedging instruments valuation in light of a volatile interest rate environment stemming from the United States Federal Reserve interest cuts. Conversely, our Equity Markets registered positive growth supported by improvement in deal flows.
- The Bank’s capital position remained robust with Common Equity Tier 1, Tier 1 and Total Capital Ratios at 31.8%, 31.8% and 40.0% respectively as at 30 September 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”), posted a net profit after tax of RM1.3 million, a decrease of 45% y-o-y. This decline was primarily due to lower average Assets Under Management (“AUM”) for the period and continued investment in expanding our distribution channels and strengthening our digital capabilities.
- Our average AUM fell by 17% y-o-y to RM10.1 billion, largely due to redemption in its Fixed Income and Money Market Funds. This was partially offset by our range of Equity Funds average AUM that increased by 7% y-o-y, which now stands at RM4.2 billion. Our Islamic funds under HLISAM continue to see healthy growth, with its average AUM recording growth of 56% y-o-y to RM1.8 billion, bolstered by strong performance in its Fixed Income Funds.

### **Sustainability Journey**

- HLIB continues to solidify its presence as one of the leading advisors for debt issuance in the sustainability space within the Malaysian capital market. In 1Q FY25, our debt markets team has successfully advised and arranged two transactions amounting to RM900 million, including a sustainability-linked bonds and a green medium term notes.
- On the operational front, our stockbroking division has further expanded the digital account opening platform for our Shariah products in October 2024. This will offer a seamless sign-on experience for our clients and also help reduce the Group’s operational carbon footprint.

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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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