Press Release

For Immediate Release

Hong Leong Capital Records a Net Profit of RM40.8 Million for its Nine Months Financial Results Ended 31 March 2025

KUALA LUMPUR, 28 MAY 2025 – Hong Leong Capital Berhad ("HLCB" or the "Company") today announced today the third quarter results of the Company and its subsidiaries (the "Group") for the financial period ended 31 March 2025 ("9M FY25").

- HLCB Group reported a lower net profit after tax of RM40.8 million for 9M FY25, 33% lower compared to corresponding period in the previous year of RM61.2 million, primarily attributable to lower equity investment returns.

- Book value per share increased to RM4.33 as at 31 March 2025 up from RM4.20 as at 31 March 2024.

Hong Leong Capital Berhad's Chairman, Tan Kong Khoon commented,

"HLCB's 9M FY25 performance was affected by market volatility stemming from heightened geopolitical tensions and evolving global trade dynamics. These external headwinds had a direct impact on our stock market, evidenced by our FBM KLCI declining by 5% since the start of the financial year. This has adversely affected the Group's equity investment returns. Nevertheless, HLCB's core businesses have remained resilient, with our 9M FY25 profit before tax ("PBT") sustaining at RM49.8 million, a marginal increase from RM49.4 million last year, supported by improved contributions from our investment banking division and asset management arm.

Moving forward, HLCB will remain focused on executing our strategic priorities and delivering long-term value creation for all our stakeholders. A key initiative in this direction will be bolstering the sales outreach of HLCB suite of products by leveraging on the integrated distribution network of the Financial Group, which includes the upcoming foreign-denominated funds from our asset management division. Furthermore, we are enhancing our stockbroking application to create a more integrated experience for our users which will improve customer experience and serve as a key feature in client acquisition. These initiatives will continue to be underpinned by strict capital, liquidity, and cost discipline."

Hong Leong Investment Bank Berhad ("HLIB")

- HLIB reported a net profit after tax of RM31.2 million, a marginal decline of 2% from the RM32.0 million in the previous corresponding period, primarily due to lower contribution from our stockbroking division. This was partially offset by the improved performance of our investment banking division.

- Our stockbroking division reported a PBT of RM32.4 million, a decrease from the previous year of RM34.2 million, partly due to ongoing investments in client acquisitions, digital platforms and network reach expansion. Overall market share declined by 0.48% year-on-year ("y-o-y") to 3.51%, largely influenced by increased foreign institutional flows, of which HLIB has limited participation.

- Our stockbroking division's commitment to excellence continues to be recognised in the recent Bursa Excellence Awards 2024, where HLIB was honoured as the 2nd runner up for Best Retail Equities Participating Organisation – Investment Bank for six consecutive years and won 8 additional awards across 4 different categories.

- Our investment banking division achieved a higher PBT of RM8.7 million, an increase of 10% y-o-y, driven by improved contributions from our Equity Markets and Treasury & Markets ("T&M") divisions. Our Equity Markets benefited from increased deal flows, while our T&M's improved performance was largely due to higher net interest income resulting from proactive funding cost management and effective portfolio management. However, our Debt Markets was affected by delayed completion of several key mandated deals.

- As at 31 March 2025, HLIB remained well capitalised with Common Equity Tier 1, Tier 1 and Total Capital Ratios at 34.1%, 34.1% and 42.7% respectively.

Hong Leong Asset Management Bhd ("HLAM") and Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM")

- HLCB's fund management business operating under HLAM and HLAM's subsidiary, HLISAM, delivered a net profit after tax of RM7.1 million, representing an increase of 25% y-o-y driven by prudent cost management.

- Average Assets Under Management ("AUM") of HLAM and HLISAM recorded a 4% y-o-y growth to RM11.57 billion, driven by strong contributions from our Private Mandates, Equity Funds and Fixed Income Funds. Islamic funds managed by HLISAM continued to demonstrate strong growth, achieving an average AUM increase of 52% y-o-y to RM1.95 billion from strong Fixed Income Funds performance.

- HLAM continues to be recognised by the industry for its excellence in fund management at the LSEG Lipper Fund Awards Malaysia 2025. Our funds, Hong Leong Dividend Fund and Hong Leong Consumer Products Sector Fund, were respectively acknowledged as the Best Equity Malaysia Income – Malaysia Provident Fund Over 10 years and Best Equity Sector Consumer Discretionary – Malaysia Fund Over 3 years. These accolades serve as a testament to HLAM's commitment to delivering excellence and strong performance for our investors.

Sustainability Journey

- HLIB continues to advance its sustainability agenda, completing four ESG /sustainability-related issuances amounting to RM913 million to date. These issuances not only demonstrate HLIB's capabilities in structuring sustainable financing solutions, but also reinforces the Group's commitment to promoting responsible investment practices and supporting the transition to a low-carbon economy.

- Within the Group's fund management business, HLAM has integrated Environmental, Social and Governance ("ESG") considerations into its research process, ensuring that sustainability is embedded at the core of its investment philosophy. This integration is powered by an in-house ESG model, which utilises a structured and data-driven approach to assess ESG factors.

- Embracing the spirit of Ramadan, the Group combined its sustainability commitment with community outreach by distributing kurma (dates) to 12 surau and mosques. Additionally, our employees volunteered 36 hours with Pertiwi Soup Kitchen, packing and distributing food to the needy during the fasting month.

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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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