Press Release

For Immediate Release

Hong Leong Capital Achieves FY2025 Net Profit of RM58.4 Million; Declared Final Dividend of 19.0 sen per ordinary share for FY2025

KUALA LUMPUR, 27 AUGUST 2025 – Hong Leong Capital Berhad ("HLCB" or the "Company") today announced its financial results of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2025 ("FY2025").

- HLCB Group reported net profit after tax of RM58.4 million, a 40% decline year-on-year ("y-o-y"), primarily attributable to lower equity investment returns as well as reduced contribution from stockbroking and fund management businesses.

- Book value per share increased to RM4.41 as at 30 June 2025 up from RM4.36 as at 30 June 2024.

- The Board of Directors has declared a final dividend of 19.0 sen per ordinary share, amounting to total dividends of RM46.9 million for FY2025.

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

"The financial year was defined by a challenging global landscape affected by escalating geopolitical tensions, regional wars and shifting global trade dynamics. These external headwinds had weighed on investors sentiments in our domestic capital markets evidenced by the FBM KLCI declining by 4% to close at 1,533 points on 30 June 2025. This performance marks a reversal from the 16% gain recorded in the corresponding period of our last financial year, adversely affecting the Group's equity investment returns. Against this backdrop, HLCB posted a lower net profit of RM58.4 million primarily attributable to lower equity investment returns as well as reduced contribution from stockbroking and fund management businesses.

As we enter a new financial year, we will continue to drive efforts in client acquisition and product innovation to deliver a more integrated customer experience (leveraging on the synergies within the broader Hong Leong Financial Group). To enhance customer accessibility, we have also expanded our physical presence with the establishment of new stockbroking trading hubs in Kuantan and Kota Kinabalu in April and July 2025 respectively, cementing our presence in key regions within Malaysia. This national footprint will allow us to deepen client engagement and drive further client acquisition.

Our fund management business under Hong Leong Asset Management, recently introduced the Hong Leong All Roads Funds (in collaboration with Lombard Odier, an international private bank), which will be exclusively distributed by Hong Leong Bank Berhad, leveraging on the Bank's extensive footprint and network. We are confident that these initiatives, underpinned by our disciplined approach to managing capital, liquidity and costs will position us well for sustainable growth and generate long-term value for the Group."

Hong Leong Investment Bank Berhad ("HLIB")

- HLIB recorded a net profit after tax of RM44.2 million, a 16% y-o-y decline from RM52.8 million in FY2024, primarily due to lower contribution from our Stockbroking division.

- Our Stockbroking division reported a PBT of RM36.7 million in FY2025, a 28% decline from the previous financial year, against the backdrop of Bursa's retail segment traded value declining by 19% y-o-y, resulting in reduced net brokerages earned by our Stockbroking division during the year. The market was dominated by increased foreign institutional flows, of which HLIB has limited participation, resulting our market share decline to 3.46%. This was, however partially mitigated by a 31% y-o-y growth in our foreign shares brokerage segment, driven by our HLebroking digital platform which now offers access to 10 foreign exchanges, including the recently added Tokyo Stock Exchange. The foreign share brokerage accounts for 9% of the total net brokerage earned by the Stockbroking division.

- Our Investment Banking division delivered improved PBT contribution of 5% y-o-y to RM21.8 million. The stronger performance was driven by higher income from Debt Markets ("DM") division following the completion of several key mandates. This was supplemented with improved net interest income achieved through proactive funding cost management by the Treasury & Markets ("T&M") division. Meanwhile, the Equity Market division saw lower contribution as a result of less deal flows amid weak equity market sentiments.

- As at 30 June 2025, HLIB continued to maintain a strong capital position with Common Equity Tier 1, Tier 1 and Total Capital Ratios at 32.7%, 32.8% and 40.9% respectively.

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

- HLCB's fund management business, through HLAM and HLAM's subsidiary, HLISAM, posted a net profit after tax of RM8.1 million, a 47% decline y-o-y. This was primarily due to the absence of RM15.0 million equity related performance fees earned in the previous year that was not repeated in the current financial year following the softer domestic equity market performance.

- Nonetheless, our average Assets Under Management ("AUM") expanded by 9% y-o-y to RM11.8 billion. This was driven mainly by our Islamic funds, which grew by 42% y-o-y, with particularly strong contributions from our Islamic Fixed Income and Equity Funds. The robust growth of our Islamic funds cements our growing prominence in this key segment, which now accounts for 17% of our total AUM.

Sustainability Journey

- The Group continued to deepen its commitment to its sustainability agenda, embedding responsible practices across its advisory, financing and investment activities. Our DM division successfully facilitated seven ESG-linked related issuances valued at RM1.1 billion, reinforcing its commitment in facilitating the country's net zero transition plans. Concurrently, our T&M division increased its holdings of green bonds and Sukuk by 45% y-o-y to a total of RM240.0 million. These initiatives highlight the Group's integrated approach to supporting the nation's transition to a low-carbon economy.

- On the social front, HLCB employees demonstrated their commitment to the community by contributing 281 volunteer hours to Corporate Social Responsibility initiatives. Key activities conducted recently included forest conservation and rehabilitation at Taman Tugu and a large scale clean-up project at Zoo Negara, conducted alongside other entities within the Hong Leong Financial Group.

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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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