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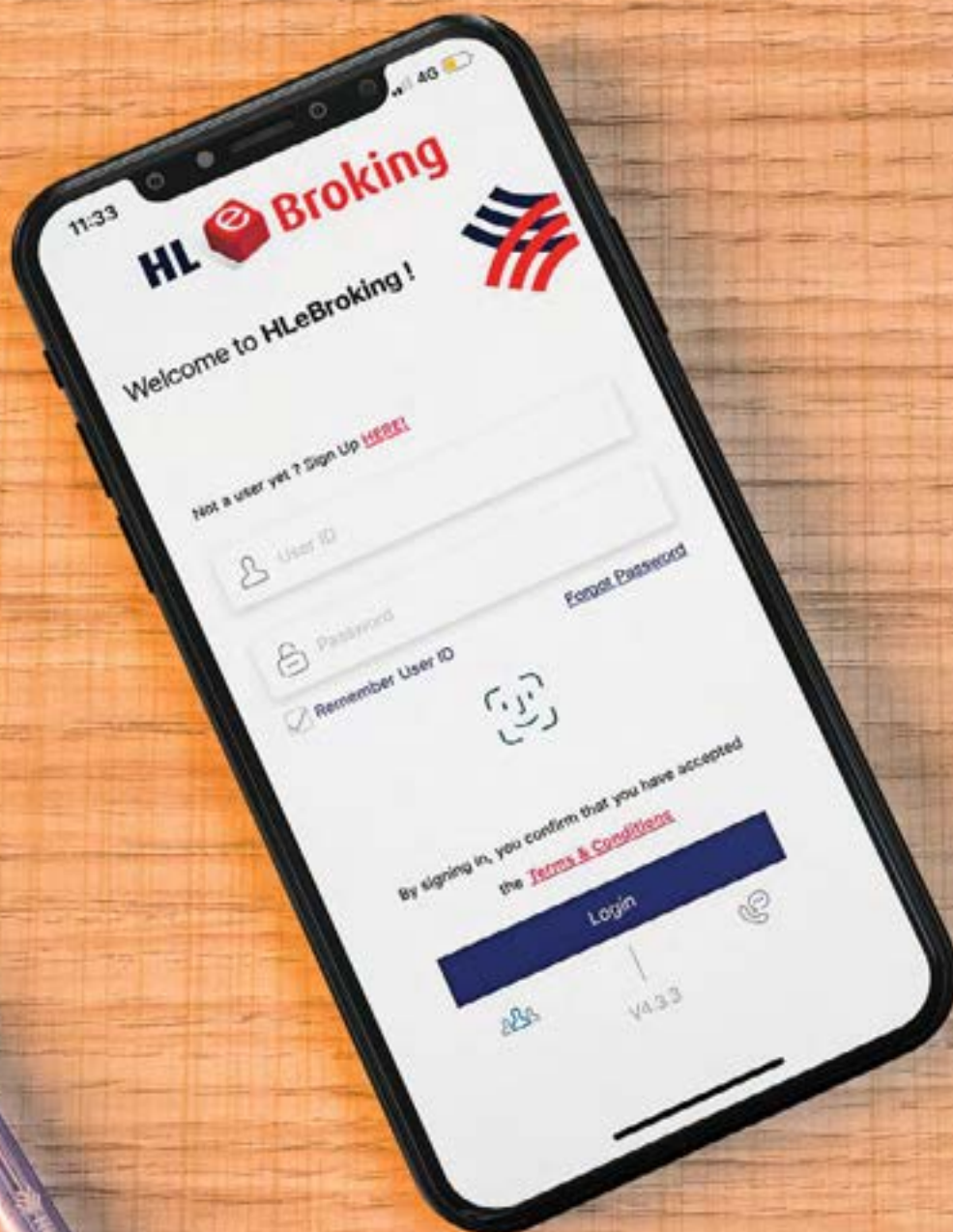
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**To be the Foremost Integrated
Financial Services Group
Providing Unrivalled Value
to Our Clients**

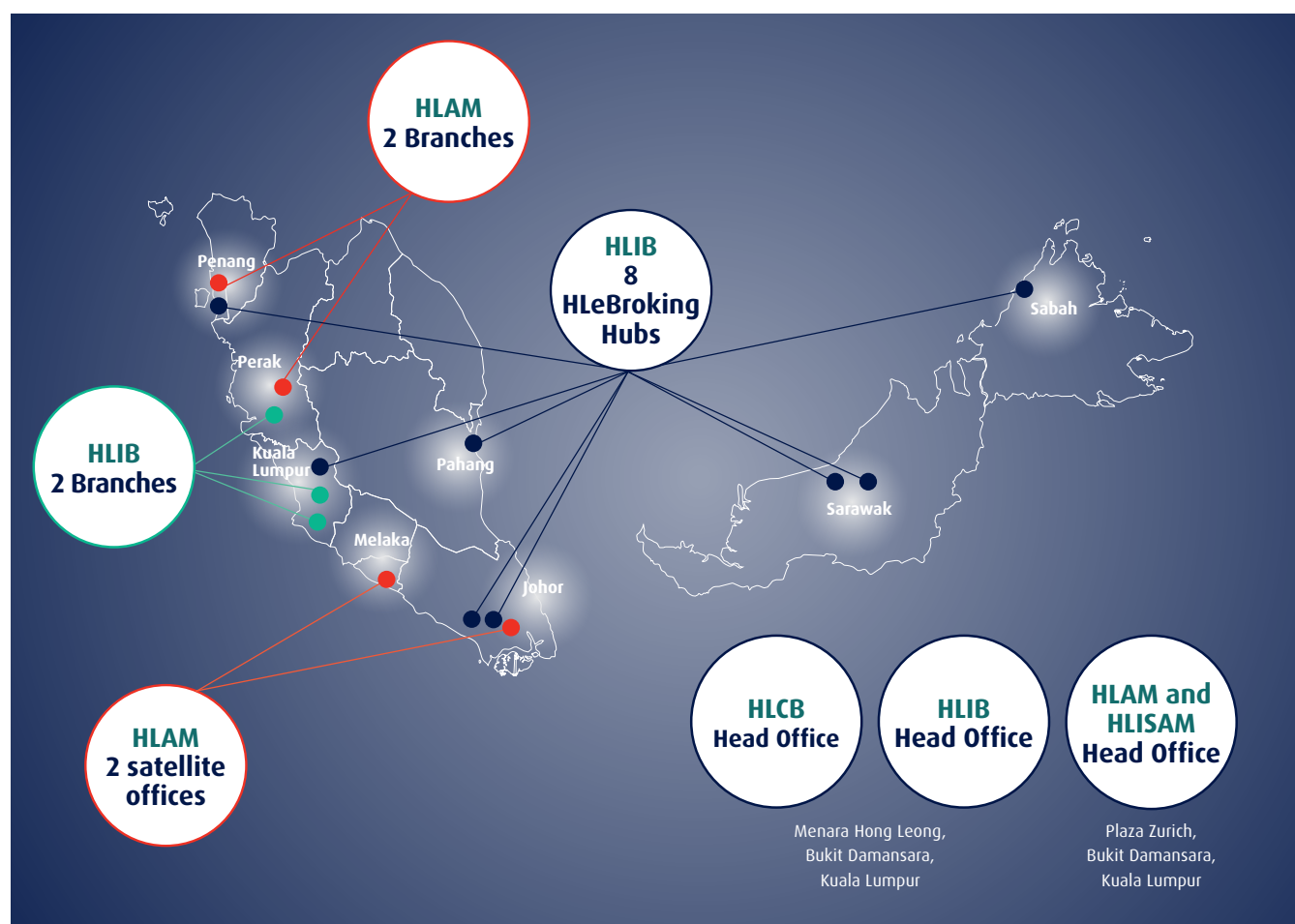


INTRODUCTION

Hong Leong Capital Berhad (“HLCB”), headquartered at Menara Hong Leong, Kuala Lumpur, is the 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”), Hong Leong Asset Management Bhd (“HLAM”) and Hong Leong Islamic Asset Management Sdn Bhd (“HLISAM”) (which is a wholly owned subsidiary of HLAM).

Based in Menara Hong Leong, Kuala Lumpur, HLIB operates 2 branches located at Plaza Zurich, Kuala Lumpur and Persiaran Greenhill, Ipoh. In addition, it maintains a network of 8 trading hubs across Malaysia.

Both HLAM and HLISAM are headquartered at Plaza Zurich, Kuala Lumpur. HLAM and HLISAM operations also include 2 branches in Penang and Ipoh, along with 2 satellite offices in Melaka and Johor Bahru.



HLIB has two main business divisions, namely the Investment Banking Division and the Stockbroking Division. There are three business pillars within the Investment Banking Division namely Debt Markets, Equity Markets and Treasury & Markets that offer a wide range of financial services which include the advisory and arranger roles for debt and equity fund raising exercises, placement of securities, corporate-related advisory works, debt and equity underwriting, deposit-taking, treasury related solutions as well as trading and distribution services.

INTRODUCTION

HLIB

HLIB Investment Banking

Debt Markets



Core Activities:

- ✓ Arranging and structuring of debt financing (including Environmental, Social and Governance (“ESG”)/ sustainability linked) in the form of:
 - Corporate bond and Sukuk issuance
 - Asset securitisation
 - Hybrid securities
 - Syndicated/Bridging loans
- ✓ Debt underwriting
- ✓ Lending that complements the corporate exercises undertaken by HLIB and to offer comprehensive investment banking packages to clients
- ✓ Agency services for corporate bonds, Sukuk and syndicated loans

Equity Markets



Core Activities:

- ✓ Arranging and managing equity fund raising:
 - Initial public offering
 - Rights issues
 - Restricted issues
 - Special issues
 - Private placements
- ✓ Corporate-related advisory works:
 - Equity underwriting
 - Merger and acquisition

Treasury & Markets



Core Activities:

- ✓ Deposits-taking
- ✓ Trading and investment of:
 - Short-term money market investments
 - Fixed income
 - Interest rate instruments
- ✓ Market making of fixed income/ bonds
- ✓ Treasury related solutions:
 - Interest rate hedging
 - Foreign exchange hedging

The Stockbroking Division of HLIB provides the complete range of retail and institutional stockbroking services for both local and foreign stock markets, equity research, margin financing, nominees and custody services as well as futures and option broking services.

HLIB

Stockbroking

Institutional Sales



Core Activities:

- ✓ Research, advisory and trade executions for institutional and corporate clients

Retail Business



Core Activities:

- ✓ Provision of stockbroking services to retail clients which include trade executions and online trading for both local and foreign markets
- ✓ Provision of share margin financing to clients for investment in listed equities
- ✓ Provision of nominees and custodian services
- ✓ Provision of futures and option broking services

INTRODUCTION

HLAM, is an established fund management and unit trust company offering and managing a broad spectrum of investment solutions through equities, fixed income, money market and multi-assets for segregated customised portfolio, unit trust funds, wholesale funds and private retirement schemes. At HLAM, the pillars behind the success of the business are its talent pool of people, quality of services and the continuous incorporation of technology. HLAM also adopts the Group's values and guiding principles whilst leveraging on the Group's diversified regional businesses, resources and experience. Commitment and integrity are part of HLAM's principles in sustaining growth and we aim to provide focused investments to preserve assets, generate added value and deliver superior returns over time. Our clientele includes amongst others, financial institutions, insurance companies, endowments, family offices, charitable organisations, corporations, retail and high net worth individuals.

HLISAM is a wholly-owned subsidiary of HLAM. HLISAM was issued with its Islamic fund management licence in November 2019 by the Securities Commission Malaysia to undertake the regulated activity of Islamic fund management business.

In view of the growing demand for Islamic products and services, HLISAM endeavours to expand into the Islamic fund management business to meet the demand and capture growth opportunities by offering its products and services. This is in tandem with the liberalisation of the Islamic capital market industry in Malaysia that has encouraged the continuous rapid growth of the Islamic fund management industry.

Similar to the parent company, HLISAM offers a broad spectrum of investment solutions through equities, Sukuk, money market and multi-assets. As a member of Hong Leong Group, HLISAM has the advantage of leveraging on the Group's diverse businesses, resources and regional experience. Through a disciplined and systematic investment process, we aim to identify and invest in companies with sustainable competitiveness that seek to deliver consistent portfolio performance and generate superior value for our investors.

HLAM AND HLISAM

Fund Management, Unit Trust Management and Private Retirement Schemes

Investment



Core Activities:

- ✓ Managing broad spectrum of investment securities comprising equities, fixed income, Sukuk, money market and multi-assets

Product



Core Activities:

- ✓ Design innovative product solutions for its private mandate, financial institutional and retail clientele
- ✓ Tailor made investment portfolios based on the risk scale ranging from cautious to dynamic

Distribution



Core Activities:

- ✓ Distribute and promote range of products and investment portfolios for its private mandate, institutional and retail clientele
- ✓ Distribute and focus to build principled relationships by introducing investment solutions to preserve clients' assets, generate added value and deliver returns
- ✓ Distribution channels include but not limited via Direct Sales, Institutional Unit Trust Scheme Advisers, Unit Trust Scheme Consultants and online platform

Supported by strong business acumen, its firm foundation of values, efficient customer support, and distribution and communications channels, HLCB, together with HLIB, HLAM and HLISAM, are focused on assisting its wide range of clients in achieving superior long term risk-adjusted returns.

INTRODUCTION



CORE VALUES

HLCB strongly believes that its core values form its foundation and framework. Its values build its character; they are the binding cord that holds its people together, the driving force towards the successful accomplishment of the Group's vision. Our long term goal has always been creating sustainable value towards the Group and focus on improving the well-being of our stakeholders in all aspects.



QUALITY

To provide products and services that consistently exceed customers' expectations



INNOVATION

To nurture and be committed to innovation



HUMAN RESOURCES

To enhance the quality of human resources as the essence of management excellence



PROGRESS

To continuously improve existing operations and to position for expansion and new business opportunities



ENTREPRENEURSHIP

To pursue management vision and foster entrepreneurship



HONOUR

To conduct business with honour



UNITY

To ensure oneness in purpose, harmony and friendship in the pursuit of prosperity for all



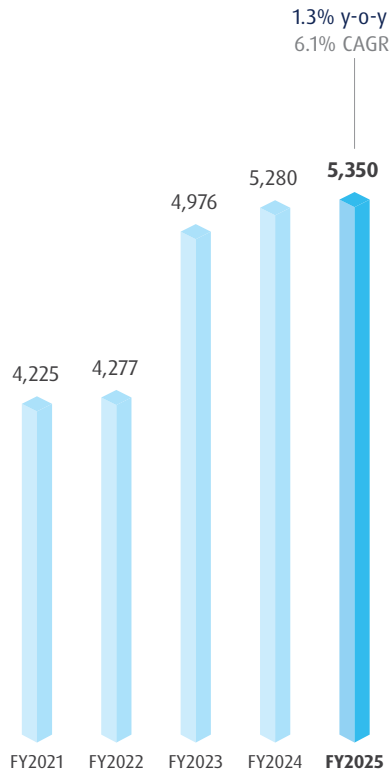
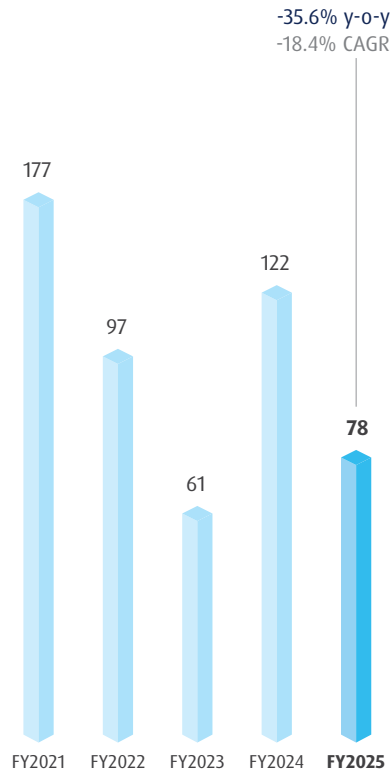
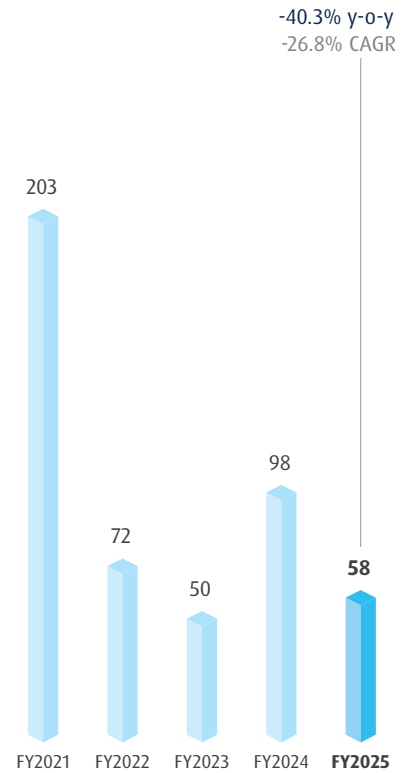
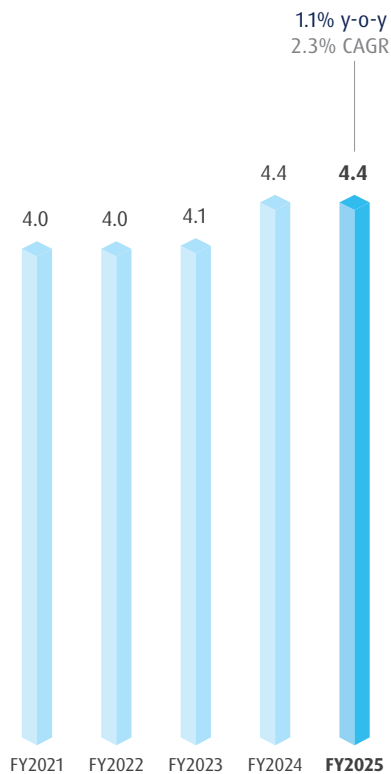
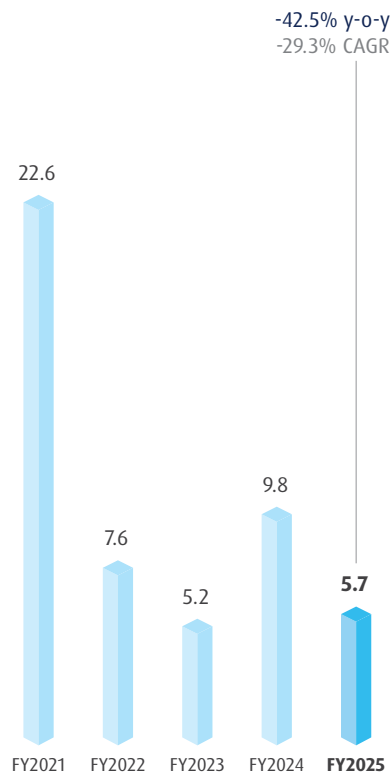
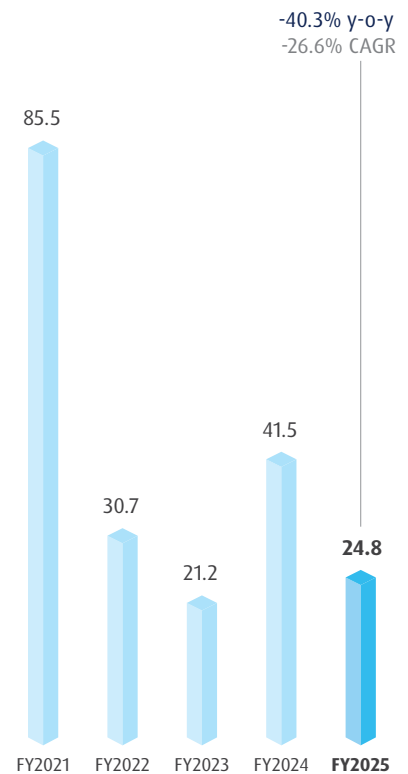
SOCIAL RESPONSIBILITY

To create wealth for the betterment of society

FIVE YEAR GROUP FINANCIAL HIGHLIGHTS

The Group	FY2021 RM'Million	FY2022 RM'Million	FY2023 RM'Million	FY2024 RM'Million	FY2025 RM'Million
Statements of Financial Position					
Total Assets	4,225	4,277	4,976	5,280	5,350
Net Loans	336	394	410	309	271
Total Liabilities	3,268	3,332	4,010	4,252	4,310
Deposits from Customers	702	760	704	759	568
Shareholders' Funds	957	945	965	1,027	1,040
Commitments and Contingencies	5,994	5,968	8,279	10,849	12,973
Statements of Income					
Revenue	316	223	196	270	217
Profit Before Taxation	177	97	61	122	78
Net Profit	203	72	50	98	58
Key Performance Indicators					
Book Value per Share (RM)	4.0	4.0	4.1	4.4	4.4
Earnings per Share (sen)	85.5	30.7	21.2	41.5	24.8
Net Dividend per Share (sen)	26.0	19.0	17.0	22.0	19.0
The Group	FY2021 %	FY2022 %	FY2023 %	FY2024 %	FY2025 %
Financial Ratios					
Profitability Ratios					
Return on Equity	22.6%	7.6%	5.2%	9.8%	5.7%
Return on Average Assets	4.8%	1.7%	1.1%	1.9%	1.1%
Cost to Income Ratio	44.9%	56.8%	68.8%	54.9%	63.9%
Asset Quality/Loan Ratios					
Gross Loans to Deposits Ratio	47.9%	51.9%	58.3%	40.7%	47.7%
Gross Impaired Loans Ratio	0.1%	0.0%	0.0%	0.0%	0.0%

FIVE YEAR GROUP FINANCIAL HIGHLIGHTS

Group Total Assets
(RM'Million)**Group Profit Before Taxation**
(RM'Million)**Group Net Profit**
(RM'Million)**Book Value per Share**
(RM)**Group Return on Equity**
(%)**Group Earnings per Share**
(Sen)

CHAIRMAN'S STATEMENT



A CHALLENGING YEAR FOR MALAYSIAN CAPITAL MARKETS

In the financial year under review, geopolitical tensions and the introduction of US trade tariff created persistent uncertainties on the global economy which resulted in a nuanced performance of Malaysia's capital markets.

Against this challenging backdrop, Hong Leong Capital Berhad ("HLCB" or "the Group") posted a net profit of RM58.4 million for the financial year ended 30 June 2025 ("FY2025"), which declined by 40% year-on-year ("y-o-y"). This performance reflects the subdued conditions of the Malaysian capital markets, which was marked by lower deal flows, softer domestic equity and bond markets amidst cautious investor sentiments.

To navigate a market which is filled with challenges and uncertainties, HLCB will remain resolute in strengthening its fundamentals by proactively expanding its distribution network and competitive edge. In FY2025, HLCB further expanded its footprint through the addition of stockbroking trading hubs across the nation as well as expanded its suite of products through collaboration with leading international players. During the year, the Group has also continued to integrate and deepen sustainability into its core strategy and operations, reinforcing its commitment to build a resilient and responsible business.

The Board has proposed a dividend payout of 19 sen per share, amounting to RM46.9 million. Despite moderate earnings, the dividend payout underscores the Group's confidence in HLCB's robust financial position and commitment to rewarding our shareholders.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for Hong Leong Capital Berhad for FY2025.

ECONOMIC LANDSCAPE

For the financial year under review, global economic growth moderated as a result of an increasingly fragmented global trade environment which was triggered by a rapidly shifting US tariff landscape. The protracted Russia-Ukraine conflict and the regional wars that erupted in the Middle East and South Asia placed additional strain on market confidence and investors' risk appetite.

CHAIRMAN'S STATEMENT



Domestically, Malaysia's GDP growth moderated in first half 2025 with GDP growing by 4.4%, in comparison to 5.1% in the same period last year. However, Malaysia's economic fundamentals remain strong with domestic demand being the primary anchor of resilience, supported by steady expansion in retail trade and the continued realisation of both domestic and foreign investment projects.

The Malaysian equity market softened during the financial year, with the FBMKLCI 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 prior year and was primarily driven by foreign institutional outflows amid a broader risk-off sentiment towards emerging markets. Similarly, for corporate bonds and Sukuk, notwithstanding the increase in gross issuances, net issuances contracted by 12% implying higher refinancing exercises.

REVIEW OF BUSINESS PERFORMANCE

The Group posted a lower net profit of RM58.4 million reflecting weaker gains in equity investments, reduced stockbroking and fund management profitability which was partially mitigated by higher contribution from the investment banking business.

In a year defined by a muted bourse, Hong Leong Investment Bank Berhad's ("HLIB") Stockbroking division profitability declined by 28% y-o-y, resulting in a Profit before Tax ("PBT") of RM36.7 million. This was largely due to a 16% decline in net brokerage income, driven by lower participation from the key segments, both the retail and local institutional of our business. The retail segment was more particularly affected, with traded value declining by 19%, causing a consequential drop in our share of the market to 3.46%. Our focus on international markets yielded stronger results, with the foreign share brokerage segment growing by 31% y-o-y, in line with HLebroking's strategic direction to expand its access to international stock exchanges. Our unwavering commitment to service excellence and as a key member participant of the retail segment was recognised by the industry when we were named as one of the winners for the Best Retail Equities Participating Organisation - Investment Bank at the Bursa Excellence Awards 2024.

HLIB's Investment Banking business performed better during the year, delivering a higher PBT of 5% y-o-y to RM21.8 million. This growth was largely driven by the Debt Markets division, which successfully completed several key mandates to achieve a 27% y-o-y increase in revenue. This was further supplemented by better performance from the Treasury & Markets division recording high net interest income through proactive funding cost management and effective portfolio management. The Equity Market division's performance, however, faced slower deal flows and delayed completion as a result of weak market valuations.

Our fund management arm, Hong Leong Asset Management Bhd's ("HLAM"), recorded RM10.2 million in PBT, a 49% decrease from the previous year. This was primarily due to lower fund performance fees, an outcome reflective of the subdued market conditions on Bursa Malaysia as compared to the previous year. Nevertheless, HLAM's Assets Under Management ("AUM") expanded by 27% y-o-y to RM12.8 billion, bolstered by healthy inflows into our Private Mandates, Money Market and Fixed Income Funds. Notably, our Islamic funds demonstrated strong AUM growth to RM2.2 billion, increasing by 18% y-o-y, cementing our commitment in growing prominence in this key segment of the market. Our commitment to delivering quality was again affirmed by the industry. We were honoured with two prestigious accolades at the LSEG Lipper Fund Awards Malaysia 2025 for our Hong Leong Dividend Fund and Hong Leong Consumer Products Sector Fund.

The Group's balance sheet and risk metrics remained strong and well supported by solid and healthy asset quality. Our capital remains adequate with total capital ratio of our subsidiary, HLIB, at 40.9% as at 30 June 2025, well above the minimum regulatory requirement of 10.5%.

CHAIRMAN'S STATEMENT

STRATEGIC PRIORITIES

Our strategic priorities have been and will remain centered on creating sustainable, long-term value for our stakeholders. HLCB focused on enhancing our competitive edge through continuous product and service innovation while expanding our distribution network. To further deepen our role as responsible financial services, the Group will keep building sustainability-linked investments and financing activities.

Driving Product and Service Innovation

In June 2025, our fund management arm, HLAM, in collaboration with Lombard Odier, a prestigious international private bank with over 225 years of history, launched the Hong Leong All Roads Funds - three multi-asset funds that will be exclusively distributed by Hong Leong Bank Berhad. These funds aim to provide sophisticated investors access to a globally diversified portfolio, stability and risk-managed growth, whether they are conservative, balanced or growth-oriented.

For our equity trading business, we successfully added access to the Tokyo Stock Exchange. Today, HLIB offers our clients access to 10 foreign exchanges across 8 countries through our HLeBroking platform. During the year under review, we also continued to improve users experience by enhancing our Futures system to strengthen portfolio diversification and risk management. As part of this enhancement, we added the Hong Kong Exchanges and Clearing Limited market to our futures offerings. Our strategic emphasis on our affluent and SME client segments, supported by customised products, has started to yield tangible results and positive income growth.

In support of our strategic priorities, the adoption of advanced technologies to modernise our operations and enhance value for our clients is of paramount importance. We have begun embedding Artificial Intelligence ("AI") into our risk monitoring tools to sharpen our predictive capabilities and strengthen governance, marking the first step of a broader digital transformation agenda, to integrate AI across our business lines to drive operational efficiency, personalise client services and unlock new opportunities for growth.

Expanding Our Distribution and Enhancing Accessibility

We are committed to continuously improve accessibility of our services to a broader range of investors. In our Stockbroking business, we expanded our physical footprint by establishing new trading hubs in Kuantan in April 2025 and Kota Kinabalu in July 2025, bringing our services closer to our clients in these areas. Today, the Group is present in all the six regions across the nation. In tandem with our focus to improve accessibility, HLIB had availed digital account onboarding to our trading accounts including to our Shariah trading accounts, providing greater convenience for new clients.

In order to have a wider reach of our fund management products, HLAM had partnered with the iFAST digital platform, a leading portal covering Unit Trust and Private Retirement Scheme, to provide seamless and convenient access to our products. HLAM's funds are also available via a network of non-bank third-party Institutional Unit Trust Advisers.

Deepening Our Commitment to Sustainability

Sustainability will remain integral as part of our long-term strategic priorities. Our commitment was led and driven by a few key milestones during the year under review. First, our Debt Markets division successfully completed ESG-linked issuances amounting to RM1.1 billion in green bonds/Sukuk and sustainability-linked bonds. We are also intensifying our investments in sustainable bonds, with HLIB increasing its investments in green bonds/Sukuk by 45% y-o-y to a total of RM240.0 million. Additionally, HLIB is one of the first investment bank in Malaysia to offer ESG Share Margin Financing, a dedicated share margin financing for ESG-focused securities listed on Bursa Malaysia.

Reinforcing our support for the nation's climate-related goals, HLCB achieved a significant milestone by becoming the first investment banking group in Malaysia to be an official signatory to the Partnership for Carbon Accounting Financials. In terms of social contribution, HLCB employees has contributed 281 volunteer hours to CSR initiatives, benefitting 1,053 individuals.

CHAIRMAN'S STATEMENT

COMMITMENT TO CORPORATE GOVERNANCE

The Group is steadfast in its commitment to upholding the highest standards of corporate governance and integrity. Our Board provides robust oversight through its various committees, ensuring that a comprehensive framework of internal controls, risk management, and compliance is effectively implemented across all business operations.

We maintain a zero-tolerance policy towards bribery and corruption, reinforced by our Code of Conduct and continuous training for all directors and employees. This unwavering commitment to good governance is the bedrock of the trust placed in us by our stakeholders and is fundamental to creating sustainable, long-term value.

OUTLOOK

Looking ahead, the global economy will embrace slower growth and is adapting to a new era defined by persistent uncertainties, including elevated geopolitical tensions and uncertain US trade policies. Amid this landscape, innovation with the adoption of AI is critical for boosting productivity and creating new markets. Global capital will likely gravitate towards companies and economies that are not just managing current challenges, but are actively harnessing technological transformation to shape the future. The push for Digital Finance will drive greater financial inclusion, via faster, cheaper, higher quality and more transparent financial services.

On the domestic front, the IMF projects Malaysia's economy to moderate to 4.5% in 2025 and 4.0% in 2026 from the 5.1% recorded last year, as a result of the spillover from external headwinds. Despite this moderation, we see resilience of our capital markets anchored by Malaysia's solid domestic demand, supported by stable household spending and an improving tourism sector buoyed by initiatives like Visit Malaysia Year 2026. Furthermore, thematic catalysts such as the Johor-Singapore Special Economic Zone, underpinned by the enhanced connectivity of the upcoming Rapid Transit System Link and Malaysia's growing prominence as a preferred destination for data centres, are set to be major drivers of market activity. These large-scale investments will fuel the debt capital markets through issuance of bonds and Sukuk for project financing, while also creating a pipeline of opportunities for new IPOs and M&A activities.

We are confident that the strategic thrusts undertaken by the Group this year will position us well to navigate the uncertainties of the global economy. Moving forward, we will remain focused on disciplined execution and prudent capital management while harnessing technology to sharpen our competitive edge. A key initiative will be the upcoming launch of a new trading platform for our institutional clients, equipped with algorithmic trading capabilities. By strategically embedding AI into our processes and client solutions, we will use data-driven decision making capabilities to unlock new avenues for growth. Concurrently, we will continue to leverage synergies within the broader Hong Leong Financial Group to broaden our market reach and deliver growth to our businesses and sustainable value to our stakeholders.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my appreciation and gratitude to the Board of Directors, management and our staff for their stewardship, dedication and diligence. I would also like to express my gratitude to our regulators, government authorities, shareholders, customers, business partners and all other stakeholders for their continued support to the Group.

Tan Kong Khoon

Chairman

18 September 2025

MANAGEMENT DISCUSSION AND ANALYSIS

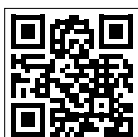


We are pleased to present the Management Discussion and Analysis for the financial year ended 30 June 2025 ("FY2025").

This report provides a review of Hong Leong Capital Berhad's ("HLCB" or "the Company") business operations and financial performance during the period.

PERFORMANCE HIGHLIGHTS

HLCB posted net profit of RM58.4 million, a 40% decline from FY2024, attributable mainly to challenging operating landscape in FY2025, which was marked by global economic uncertainty and market volatility. This translated to an earnings per share ("EPS") of 24.8 sen and a Return on Equity ("ROE") of 5.7%.



*Scan the QR code to
visit our website.*

MANAGEMENT DISCUSSION AND ANALYSIS

The Malaysian capital markets was marked by lower deal flows, softer domestic equity and bond markets amidst cautious investor risk-off sentiments. These conditions eroded our equities investment gains and impacted the performance of our Stockbroking business, under Hong Leong Investment Bank Berhad ("HLIB"), which reported a 28% decline in Profit before Tax ("PBT") to RM36.7 million, mainly due to lower net brokerage income. Our fund management business under Hong Leong Asset Management Bhd ("HLAM"), also registered a PBT decline of 49% to RM10.2 million primarily due to lower fund performance fees. The weaker performance of these two businesses was partially mitigated by better results from our Investment Banking business, supported by improved performance from our Debt Markets and Treasury & Markets divisions.

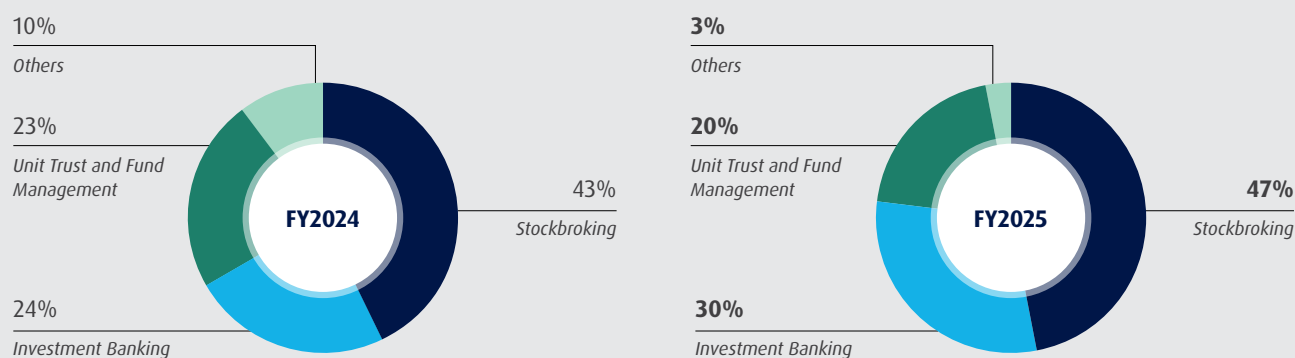
Despite moderate earnings, the Board of Directors has proposed a final single-tier dividend of 19.0 sen per share, amounting to RM46.9 million for FY2025. The dividend payout underscores the Group's financial strength and commitment to rewarding shareholders.

	Investment Banking RM'Million	Stockbroking RM'Million	Unit Trust and Fund Management RM'Million	Others RM'Million	Total RM'Million
FY2025					
Revenue	64.7	101.4	44.2	6.2	216.5
PBT	21.8	36.7	10.2	9.8	78.5
FY2024					
Revenue	63.9	116.0	62.6	27.3	269.8
PBT	20.7	50.9	19.8	30.5	121.9

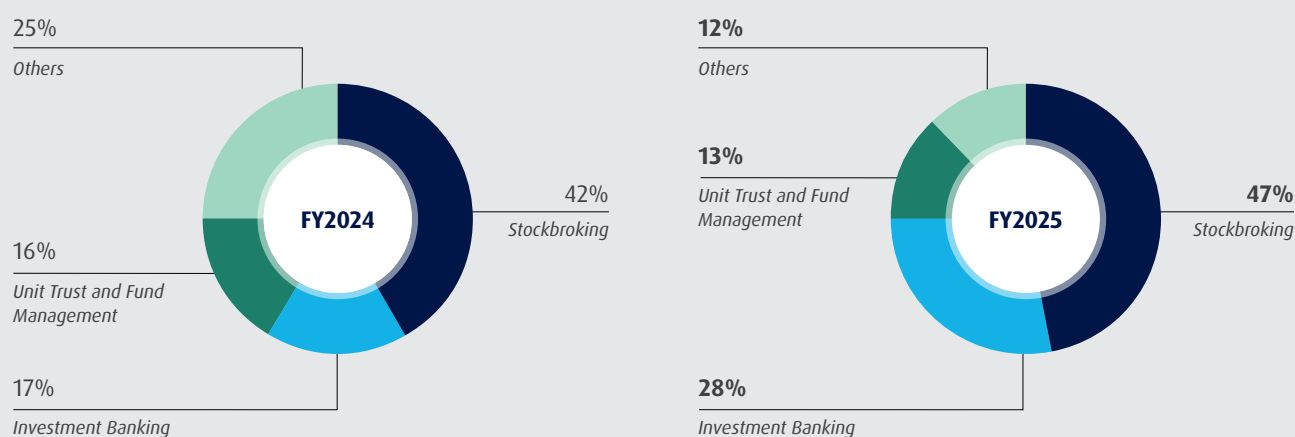


MANAGEMENT DISCUSSION AND ANALYSIS

Composition of Revenue by Business Segment (%)



Composition of PBT by Business Segment (%)



The Stockbroking business remained the main contributor in FY2025 accounting for 47% of HLCB's in Revenue and PBT respectively.

A detailed analysis of each business division's performance is provided in the Segmental Review section.

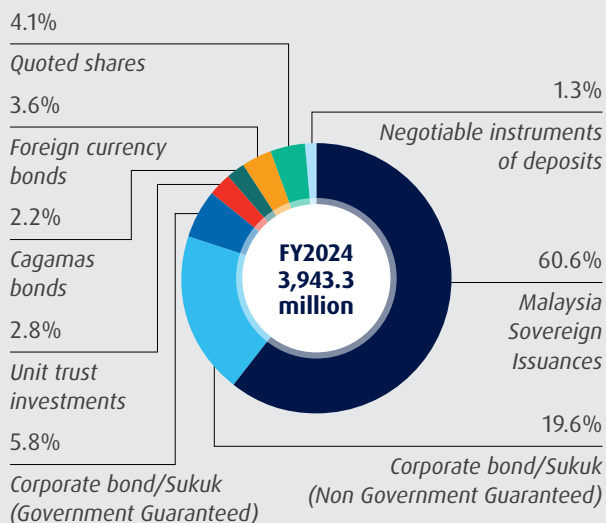
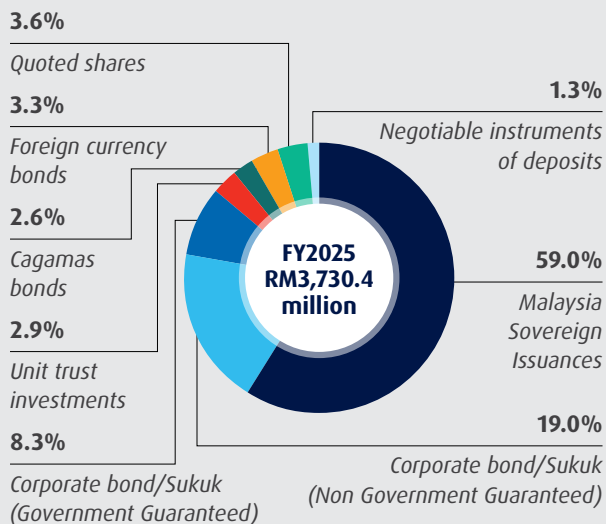
MANAGEMENT DISCUSSION AND ANALYSIS

ASSET QUALITY AND LIQUIDITY MANAGEMENT

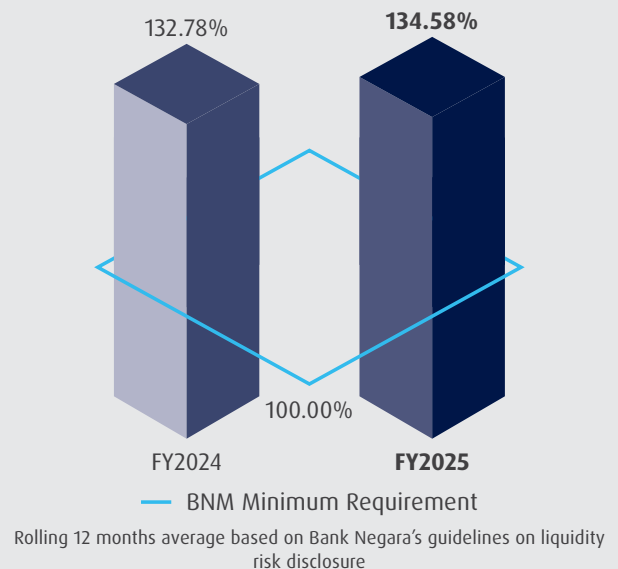
HLCB's balance sheet remains strong, underpinned by healthy asset quality and robust capitalisation. HLCB's total assets recorded a modest growth of 1.3% year-on-year ("y-o-y") with our financial investment portfolio maintaining focus on capital preservation and liquidity management with high allocations to Malaysian Sovereign Securities (59%), Government Guaranteed bonds (8%) and corporate bond/Sukuk (19%) which included 7% in AAA-rated corporate bonds.

Our key operating subsidiary, HLIB, continued to uphold a robust liquidity position, with a Net Stable Funding Ratio of 133.71% and a 12 months rolling average Liquidity Coverage Ratio of 134.58% in FY2025, well above regulatory requirements and sufficient to navigate potential market volatility.

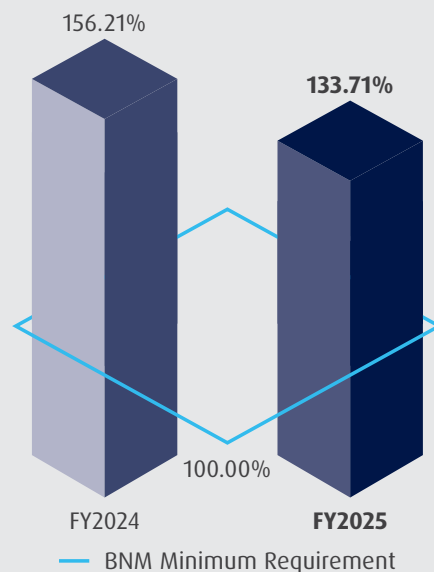
Composition of Financial Investments by Type (%)



HLIB Liquidity Coverage Ratio



HLIB Net Stable Funding Ratio



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL MANAGEMENT

Capital Management Framework

HLCB's capital management is driven by the risk profile and strategic objectives set by the Board of Directors to maintain a balanced approach between growth and capital management and to ensure sustainable dividend payouts to our shareholders.

The core objectives of our Capital Management Framework are:

- Meeting all regulatory requirements at all times
- Optimising returns to shareholders
- Maintaining an adequate level of capital and an optimum mix of different capital components
- Maintaining a strong external credit rating to support business expansion and reduce the cost of funding and capital

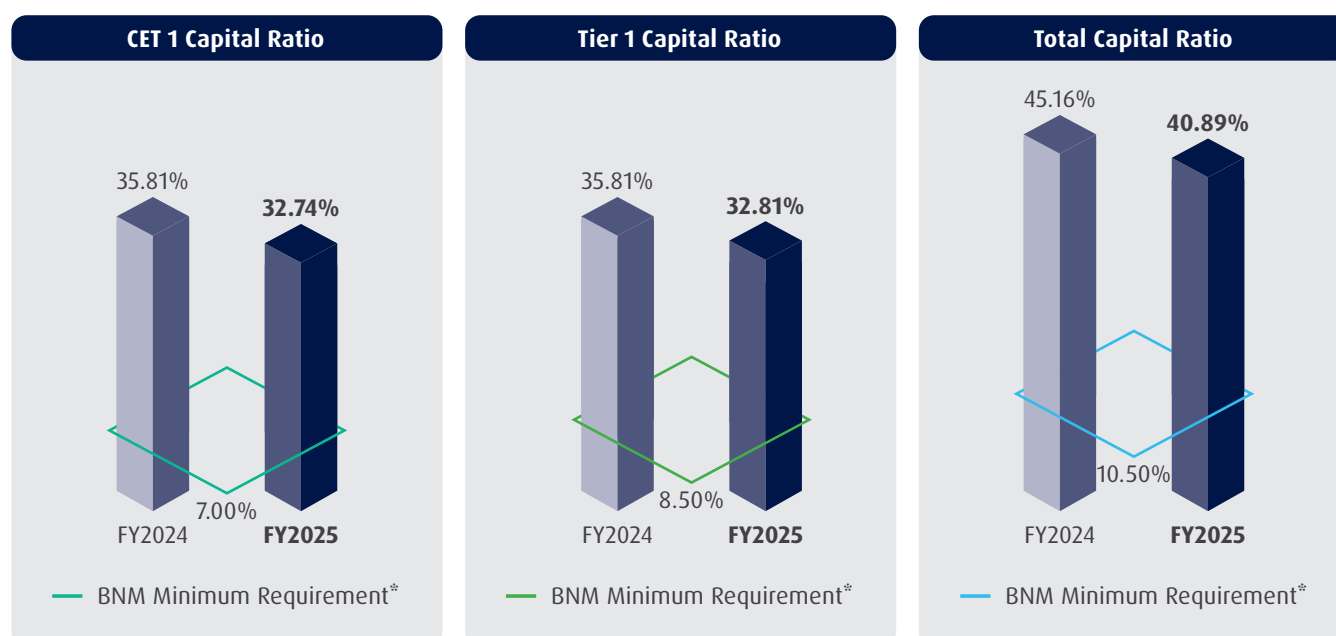
Capital Programme

The Group is committed to upholding a robust and resilient capital management framework. Summarised below are the major initiatives undertaken over the years to ensure that we have safeguards and contingency planning to manage capital:

Equity Capital	As at 30 June 2025, HLCB held 11.1 million treasury shares which was bought back previously under HLCB's Executive Share Option Scheme.
Debt Capital	HLIB has established the following programme as of June 2025: • Additional Tier 1 Capital Securities RM1.0 billion Programme established in December 2024. • A 20 year Tier 2 RM1.0 billion Multi-Currency Subordinated Notes Programme established in 2014. HLIB issued its third tranche of RM100.0 million nominal value of Tier 2 Green Subordinated Notes to fund the investment and financing of green assets.

Capital Adequacy Ratios of Hong Leong Investment Bank

HLIB's capital position remains robust, with its Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and Total capital ratios remaining well above BNM's minimum requirements as at 30 June 2025.



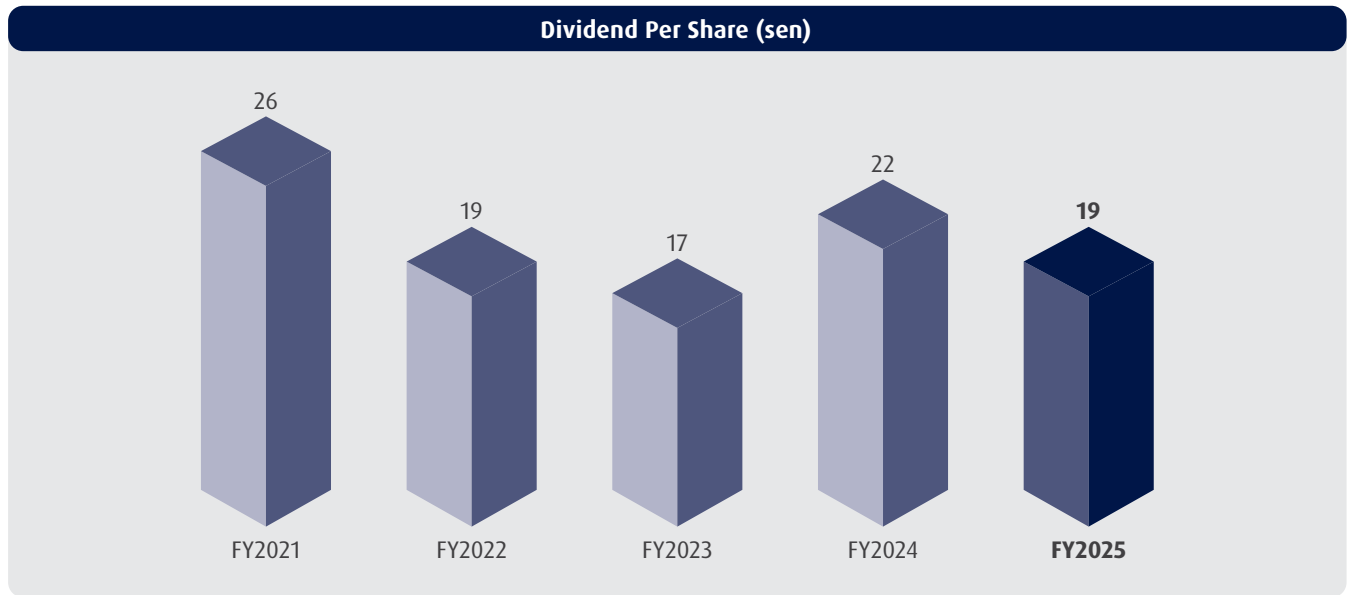
* Inclusive of Capital Conservation Buffer ("CCB") of up to 2.50%

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend Payout

HLCB does not have a fixed dividend payout policy but takes into consideration a balance between growth and proactive capital management to ensure long-term sustainability of dividend payouts to shareholders.

Our dividend trend over the past five years reflects this philosophy, aligning payouts with the Group's performance and the prevailing economic environment.



Credit Ratings

RAM Ratings Services Berhad reaffirmed HLIB's financial institution ratings of AAA/Stable/P1 as of June 2025. This affirmation validates HLIB's prudent risk management practices and financial strength.

SEGMENTAL REVIEW

INVESTMENT BANKING BUSINESS

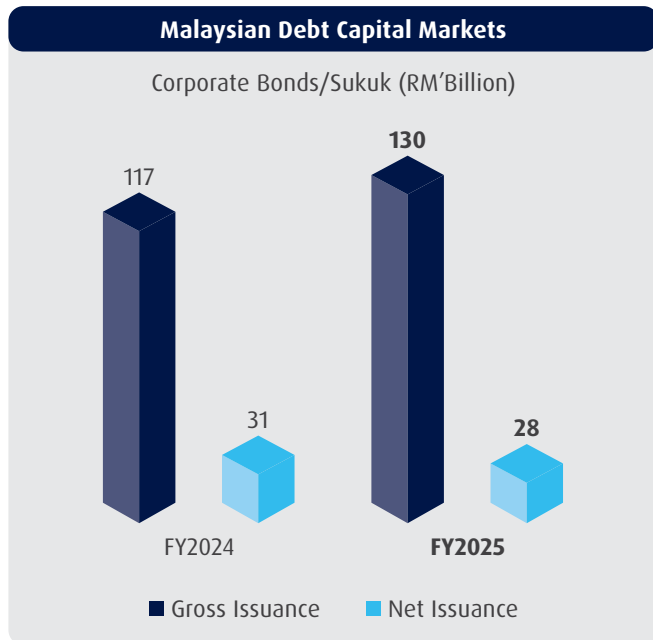
Financial Highlights

	FY2025 RM'Million	FY2024 RM'Million	Change %
Revenue:			
• Debt Markets	26.8	21.1	27%
• Equity Markets	11.1	21.4	(48%)
• Treasury & Markets	21.7	17.1	27%
• Others	5.1	4.3	19%
Total revenue	64.7	63.9	1%
PBT	21.8	20.7	5%

The Investment Banking business delivered an improved performance, with PBT growing by 5% to RM21.8 million in FY2025. This growth was achieved by robust performances in Debt Markets and Treasury & Markets division.

MANAGEMENT DISCUSSION AND ANALYSIS

Debt Markets



Notwithstanding the increase in gross issuances by 11%, net issuances in the Malaysian Debt Capital Markets actually dropped by 12% y-o-y. This trend implies higher refinancing activities during the period instead of increased funding needs from business activities for new projects. Notably, the Debt Markets division recorded its third consecutive year of PBT growth in FY2025, with revenue improving by 27% y-o-y to RM26.8 million. This stronger result demonstrates our commitment in providing innovative financing solutions to our clients.

Our Debt Markets division had successfully raised a total of RM9.0 billion for our clients, representing a 76% increase from the previous financial year. The higher issuances was driven by the completion of several higher value mandates and our ability to deliver customised debt funding and refinancing exercises that help our clients to lower their financing costs and improve balance sheet strength.

During the financial year, our Debt Markets division also solidified our footprint in the ESG/sustainable financing space by completing seven (7) ESG-linked issuances raising in excess of RM1.0 billion.



In addition, HLIB is recognised for innovation in the capital markets through the multitude of accolades awarded in FY2025, including:

Exio Logistics Sdn Bhd

- RM500 million ASEAN Green Medium Term Notes Programme

- Best Bond Deal (Southeast Asia Highly Commended) & Best Bond Deal (Malaysia Winner) by FinanceAsia

AEON Credit Services (M) Berhad

- RM5 billion Sukuk Wakalah & Murabahah Programme

- Best Wakalah Sukuk in S.E.A & Best Sukuk Deal of the Year 2024 by Alpha Southeast Asia
- Best Sukuk - Consumer Services by The Asset Triple A

GENM Capital Berhad

- RM3 billion and RM5 billion Medium Term Note Programme

- Best Local Currency Bond Deal of the Year by Alpha Southeast Asia

Zamarad Assets Berhad

- RM2 billion Asset-back Securitisation Sukuk Murabahah Programme

- Best Securitisation Sukuk by The Asset Triple A

Benih Restu Berhad

- RM2 billion Sukuk Wakalah Programme

- Best New Sukuk - Plantation by The Asset Triple A

MANAGEMENT DISCUSSION AND ANALYSIS

Equity Markets

Our Equity Markets division's performance was hampered by weak equity market sentiments. The division recorded lower revenue of RM11.1 million for the period under review. This was primarily impacted by a delay in income recognition arising from the extended completion timeline for several IPO mandates, weak valuations that has resulted in some clients opting to delay the IPO process.

Some of the key mandates completed by our Equity Markets during the financial year are:

IPO Exercise

- ▶ Listing of Cropmate Berhad on the ACE Market of Bursa Malaysia, oversubscribed by 85 times, raising RM52.0 million
- ▶ Listing of TopVision Eye Specialist Bhd on the ACE Market of Bursa Malaysia, oversubscribed by 59 times, raising RM17.9 million

Corporate Advisory Exercise

- ▶ Acquisition of RM122.3 million of a stratified property by Cengild Medical Berhad
- ▶ Acquisition of 51% equity interest in Gaya Kuasa Sdn Bhd for RM40.8 million by Pesona Metro Berhad
- ▶ Independent adviser for the privatisation of Malaysia Airports Holdings Berhad

Treasury & Markets

Our Treasury & Markets ("T&M") division delivered a stronger set of results in FY2025, with revenue increasing by 27% y-o-y to RM21.7 million. The improvement was due to proactive portfolio management, which enhanced our Net Interest Margin ("NIM") by 13 bps to 0.37%. The division's trading performance also contributed positively, with trading income improving by 35% y-o-y as the team navigated challenging market conditions to capitalise on trading opportunities.

During the financial year, T&M division expanded its sustainability-focused investments, with the Green Bond portfolio growing by 45% y-o-y to RM240 million in FY2025. This growth marks a more than four-fold increase in our green investments since FY2022, reflecting our commitment to the Company's ESG agenda.



Moving forward

Our Investment Banking business is strategically positioned to capitalise on emerging opportunities to strengthen deal flows. Our marketing efforts will be centered around several key thematic pillars. We will proactively pursue opportunities stemming from global trade diversions, which are driving increased investment into Malaysia's industrial and manufacturing sectors. A significant focus will also be placed on energy transition, where we will support corporations in their shift towards renewable energy and sustainable practices, aligning with the national agenda. Furthermore, we aim to expand our presence in the ESG and sustainability financing segment, leveraging on the growing national emphasis on and investor demand for green finance to broaden our deal pipeline.

Concurrently, our T&M division will maintain its disciplined approach in managing the bank's funding profile to enhance net interest income, while pursuing trading opportunities without undertaking excessive risk.

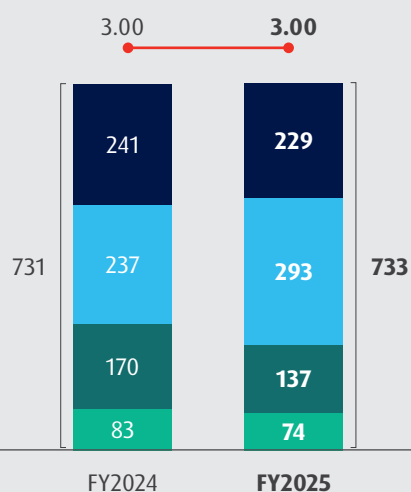
MANAGEMENT DISCUSSION AND ANALYSIS

STOCKBROKING BUSINESS

Financial Highlights

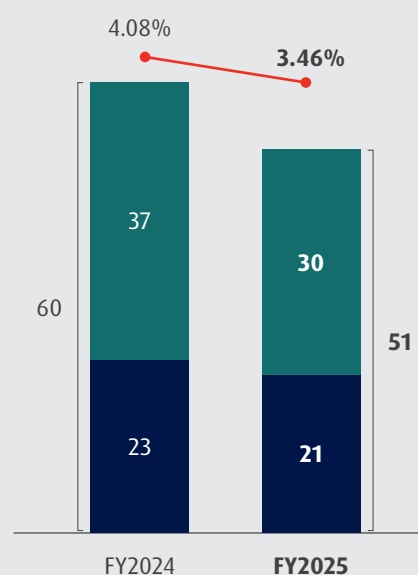
	FY2025 RM'Million	FY2024 RM'Million	Change %
Revenue:			
• Stockbroking	93.7	104.8	(11%)
• Futures	5.9	8.3	(29%)
• Equity derivatives	1.8	2.9	(38%)
Total revenue	101.4	116.0	(13%)
PBT	36.7	50.9	(28%)

Bursa Malaysia Traded Value (RM'Billion)



 Local Institutional
 Foreign Institutional
 Retail
 Others
 Bursa Malaysia Daily Average Value

HLIB Traded Value and Market Share (RM'Billion)

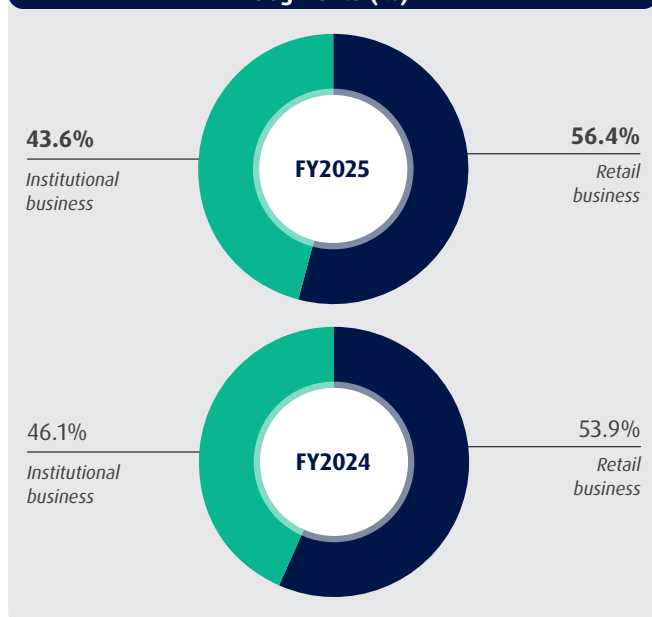


 Local Institutional
 Retail
 HLIB Market Share (%)



MANAGEMENT DISCUSSION AND ANALYSIS

Contribution of Net Brokerage Income by Business Segments (%)



The Stockbroking division witnessed a much weaker trading volume in FY2025, recording a lower PBT of RM36.7 million, a 28% y-o-y decrease. This was primarily due to a 16% decline in our net brokerage income as Bursa Malaysia's domestic retail and local institutional participation trended downwards during the financial year.

Bursa's retail segment declined 19% y-o-y with traded value of RM137 billion, while the local institutional segment experienced a 5% y-o-y decline to RM229 billion. In contrast, foreign institutional flows surged by 23% y-o-y.

As HLIB is not an active participant in the foreign institutional segment, our overall domestic traded-value market share has decreased to 3.46% from 4.08% in the prior financial year.

The subdued market dynamics also affected our Futures and Equity Derivatives segments. The Equity Derivatives, in particular, was constrained by the reduced opportunities for trading.

Our strategic focus on providing clients with global market access has proven effective. This approach had served as a strong counterweight to the challenging domestic market, allowing our clients to actively pursue opportunities abroad as global exchanges remained buoyant. This has fueled a 31% y-o-y growth in our foreign share brokerage income, reaching RM4.8 million.

Our share margin financing utilisation remained stable at RM271.1 million in line with our prudent risk management practices. This cautious approach reflects our commitment to safeguarding asset quality, especially during periods of market volatility.

Expanding Our Product Suite and Market Access

In FY2025, a major priority was to expand our product offerings that provides our clients with a comprehensive suite of investment tools and wider market access. A summary of the key highlights include:

We upgraded our Futures trading platform to enhance trading efficiency and experience for our clients. This was complemented with the extension of our derivatives offerings to include the Hong Kong Exchanges and Clearing Limited ("HKEX") market.

HL  **Futures**



For Equity, we broadened market access by adding the Tokyo Stock Exchange to our foreign stock trading platform. Today, our clients have access to 10 foreign stock exchanges across 8 countries.

We introduced an ESG Share Margin Financing facility, making us the first investment bank in Malaysia to offer this ESG product.

For the new financial year, our product pipeline will feature the launch of a new e-IPO platform to provide clients with seamless access to primary market opportunities, supporting the domestic capital market ecosystem. We will also deepen our engagement with the affluent and SME client segments through differentiated offerings and introduce new variations of margin products. A key strategic initiative for our institutional clients will be the launch of a new trading platform, equipped with algorithmic trading capabilities to enhance execution efficiency and provide a competitive edge.

MANAGEMENT DISCUSSION AND ANALYSIS

Deepening Client Engagement and Regional Presence

To complement our product expansion, a key priority in FY2025 was to strengthen client relationships through strategic expansion and a series of dedicated engagement programmes. Among the key highlights are:

HLIB has expanded our physical footprint expansion via our newly established trading hubs in Kuantan in April 2025 and Kota Kinabalu in July 2025. This expansion brings our services closer to our clients covering all regions in Malaysia.



To foster deeper and more meaningful relationships, we have introduced a loyalty rewards programme in July 2025 to reward our clients for their continued trust and support.

To enhance market outreach and client education, we hosted 19 investment seminars and roadshows, engaging with over 1,700 participants across Malaysia.



Enhancing Operational Security and Digital Efficiency

Our commitment to operational excellence was demonstrated through key digital enhancements aimed at improving client experience. Here is a summary of the key highlights:

We enhanced our HLeBroking mobile application by introducing key features to improve security and client control. This includes the rollout of biometric confirmation for trading pin to make trade execution faster and more secure. We have also introduced the stop-limit order functionality to empower our clients with more sophisticated risk management tool.

Successfully rolled out a digital account onboarding process for our Shariah trading accounts, providing greater convenience and faster access for new clients seeking Shariah-compliant investment options.

In the coming financial year, HLIB will be introducing a major digital initiative to integrate of our local and foreign trading applications into a single, unified HLeBroking application. This will provide our clients with a seamless and consolidated view of their portfolio and frictionless access to global markets via one interface. We will also be introducing a fully digitalised client onboarding capability on our mobile platform and extend this feature to the opening of new margin accounts.

Our efforts in the retail stockbroking segment has been recognised by the industry, as HLIB was honoured as the 2nd runner up for Best Retail Equities Participating Organisation - Investment Bank at the Bursa Excellence Awards 2024. In addition, we also won in the following categories:

Highest number of new accounts opened (conventional new accounts)

Highest traded value for ETFs (2 awards)

Highest traded value for new accounts - conventional category (2 awards)

Highest reactivation of untraded accounts (3 awards)



Moving forward

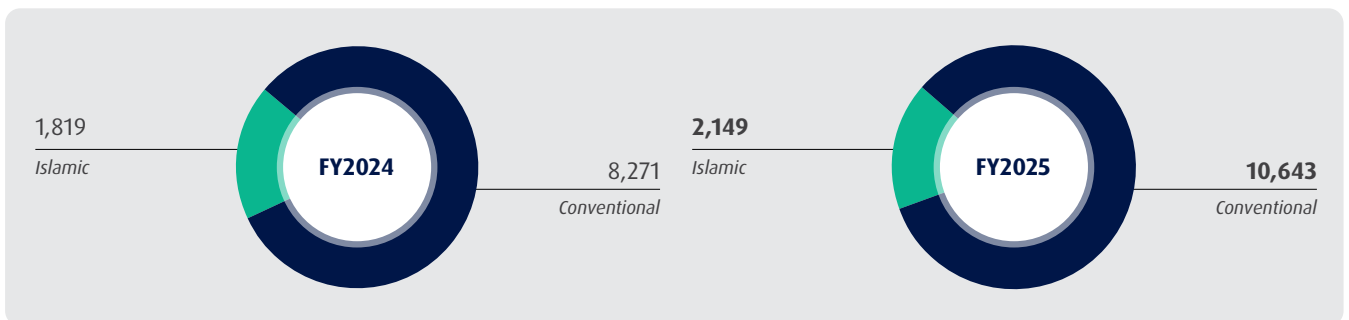
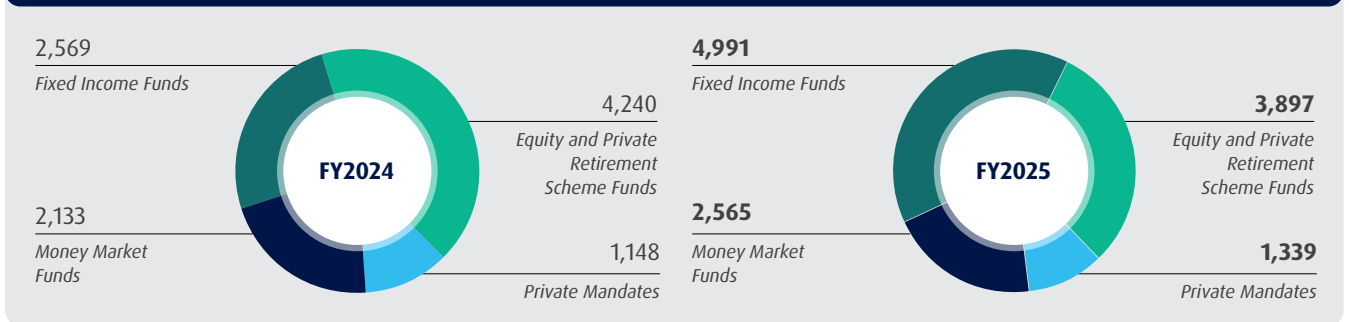
We will intensify efforts to leverage on the broader Hong Leong Financial Group by collaborating with our related company, Hong Leong Bank Berhad through targeted referral and digital campaigns to access a wider client base. By combining this expanded digital reach with our growing physical footprint, we are confident in our ability to capture new growth opportunities and to deliver sustainable long-term value to our stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

UNIT TRUST AND FUND MANAGEMENT BUSINESS

	FY2025 RM'Million	FY2024 RM'Million	Change %
Revenue	44.2	62.6	(29%)
PBT	10.2	19.8	(49%)

Assets Under Management by Fund Class (RM'Million)



Our unit trust and fund management business operated under HLAM and its subsidiary, Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM"), navigated significant market headwinds in FY2025. The business recorded a lower PBT of RM10.2 million, a decrease of 49% y-o-y. The results was impacted by a high base effect from the previous financial year, which included a non-recurring RM15 million equity performance fee that was not repeated in FY2025 reflecting a softer domestic market.

Despite the challenging backdrop, our Assets Under Management ("AUM") delivered growth, with our total AUM increasing by 27% y-o-y to RM12.8 billion. This growth was mainly driven by our Fixed Income funds, which saw its AUM increase by 94% y-o-y. Our Fixed Income funds, valued for their stability, attracted strong inflows as investors sought defensive assets. The flagship Hong Leong Income Fund recorded a surge in AUM underpinned by its consistent performance, delivering a one-year return of 3.86% to 4.12%, outperforming benchmark rates of 2.54%, demonstrating its value proposition to investors seeking stable returns.

During the financial year, we strengthened the distribution network with our Direct Agency channel expanding by 14% y-o-y to 569 agents. We successfully rolled out a new digital agency onboarding capability to expedite recruitment and activation process for new agents and reinforces our commitment to enhance operational efficiency. In parallel, we will also accelerate targeted digital campaigns to drive engagement on our online channels and deliver a seamless, omni-channel experience for our clients.

 **AgencyPRO**
Performance. Resources. Online.

MANAGEMENT DISCUSSION AND ANALYSIS

Islamic Asset Management

HLISAM continues to be a key pillar of our business, reinforcing our commitment to the Islamic capital market. Our Islamic AUM recorded strong growth of 18% y-o-y, reaching RM2.2 billion. This robust performance was primarily driven by healthy inflows into our Islamic Fixed Income Funds, which recorded an encouraging AUM growth of 32% y-o-y. A major contributor to this growth was the Hong Leong Islamic Income Management Fund, which registered an increase of 47% AUM y-o-y. The fund's appeal to investors is evident in its strong track record, delivering a one-year return of 3.41%, outperforming its 1.82% benchmark. This performance is a testament to our prudent Shariah-compliance strategy focused on stability and liquidity.

Execution of Key Strategic Priorities

Production Innovation and Strategic Partnership

A key strategic thrust in FY2025 was to enrich our product suite through innovation and high-calibre partnerships, providing clients with access to sophisticated, globally diversified investment solutions. Below is the key highlight:

Forged new strategic partnership with Lombard Odier, a prestigious international private bank with over 225 years of history, to introduce the Hong Leong All Roads Funds - three multi-asset funds that will be exclusively distributed by Hong Leong Bank Berhad. These funds provide sophisticated investors with access to globally diversified portfolio, stability and risk-managed growth, whether they are conservative, balanced or growth-oriented.



Looking ahead, we will continue to build on our strategic successes. Building on our landmark partnership with Lombard Odier, we will forge similar international partnership to expand our suite of products that can offer global portfolio diversification to our clients. Concurrently, we will reinforce our leadership in the Islamic capital market by launching new Islamic fund, designed to meet rising investor demand for Shariah-compliant investments.

Enhancing Accessibility and Convenience

In tandem with our product expansion, our priority was to enhance the accessibility of our funds by expanding our distribution footprint across digital and institutional channels. Here is a summary of our key initiatives:

A new collaboration with the iFAST digital platform, a leading portal covering Unit Trust and Private Retirement Scheme, providing investors with seamless digital access to our funds.

We broadened our distribution reach by offering a wider range of our funds through our Institutional Unit Trust Adviser ("IUTA") partners and making them available also via Investment-Linked Products ("ILP") partners.

Embedding Sustainability into Investments

Our commitment to responsible investing was demonstrated by systematically integrating ESG principles into our core investment philosophy. The key highlight in this area was:

Embedded ESG analysis at the core of our investment philosophy by using a proprietary, data-driven assessment model. Today, HLAM has integrated ESG research across 50% of our Equity and Fixed Income Funds, meeting the growing demand for responsible investment solutions.

Sustained Fund Performance Excellence

HLAM was honoured at the LSEG Lipper Fund Award 2025 for two of its funds, Hong Leong Dividend Fund and Hong Leong Consumer Products Sector Fund, for their long-term performance. These award-winning funds saw their combined AUM grow from RM641 million in FY2024 to RM915 million in FY2025, underscoring the value they deliver to our unit holders.

Hong Leong Dividend Fund

Best Equity Malaysia Income
- Malaysia Provident Fund Over 10 years

Hong Leong Consumer Products Sector Fund

Best Equity Sector Consumer Discretionary
- Malaysia Fund Over 3 years



MANAGEMENT DISCUSSION AND ANALYSIS



OUTLOOK FOR HLCB

Global economic growth is projected to moderate, shaped by persistent geopolitical tensions and economic uncertainty. Against this backdrop, HLCB will ready itself to navigate and adapt to the fast changing landscape in the year ahead. While we remain cautious of external headwinds, we believe Malaysia's solid domestic consumption base will provide a degree of stability to the capital markets.

Thematic catalysts such as the development of the Johor-Singapore Special Economic Zone, enhanced by the upcoming Rapid Transit System ("RTS") Link and Malaysia's emergence as a leading hub for data centres, are all set to be major drivers of market activity. These large-scale investments will not only fuel the debt capital markets with project financing opportunities but will also invigorate the equity markets with a new pipeline of IPOs and M&A deals.

Against this backdrop, the Group is well positioned to act on these opportunities. We are confident that the strategic initiatives executed in FY2025 have strengthened our foundation and sharpened our competitive edge. Nevertheless, we will remain focused on disciplined execution, prudent capital management, harnessing technology including AI to drive innovation and leveraging synergies within the broader Hong Leong Financial Group to capture new opportunities and deliver sustainable value to our stakeholders.

ACKNOWLEDGEMENT

We would like to express our sincere appreciation and gratitude to all our stakeholders for their continued support given to HLCB. We also extend our heartfelt appreciation to the Board of Directors, management and our employees for their unwavering dedication and commitment.

Our sincere gratitude also goes out to the regulators for their guidance and support during the year. We value and look forward to their continued support.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Hong Leong Capital Berhad (“HLCB” or “the Group”) is pleased to present our Sustainability Statement for the financial year spanning 1 July 2024 to 30 June 2025 (“FY2025”).

This report offers a comprehensive overview of our sustainability strategies, initiatives and progress across the environmental, social and governance (“ESG”) spectrum. It reflects our dedicated efforts to integrate sustainability considerations throughout our operations, ensure our practices align with our values and contribute positively to our stakeholders as we strive towards our long-term growth ambitions.

REPORTING SCOPE AND BOUNDARIES

All data disclosed in this statement relates solely to the operations of the following three entities within the reporting boundary of Malaysia: Hong Leong Investment Bank Berhad (“HLIB”), Hong Leong Asset Management Bhd (“HLAM”) and Hong Leong Islamic Asset Management Sdn Bhd (“HLISAM”), a wholly owned subsidiary of HLAM. HLAM maintains two satellite offices to support our main location.

Our Sustainability Statements are prepared annually, with our previous Sustainability Statement for FY2024 published on 27 September 2024.

REPORTING FRAMEWORKS

This sustainability statement has been prepared with reference to and in alignment with the following regulations, standards, and guidelines:

- Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements
- Bursa Malaysia’s Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative (“GRI”) Universal Standards 2021
- United Nations Sustainable Development Goals (“UN SDGs”)
- Sustainability Accounting Standards Board (“SASB”)
- International Financial Reporting Standards (“IFRS”) S1 and S2

Our climate-related disclosures follow the recommendations and reporting requirements of Bank Negara Malaysia’s (“BNM”), Task Force on Climate-Related Financial Disclosures (“TCFD”), the Application Guide for Malaysian Financial Institutions (“FI”), in addition to the Climate Risk Management and Scenario Analysis (“CRMSA”) reporting requirements.

In accordance with IFRS S1.B42(c), there are no significant differences between the data and assumptions used in preparing our climate-related financial disclosures and those used in the preparation of our financial statements. All non-financial data have been consolidated using the same basis as our financial figures—aggregated at the group level as a summation of HLIB and HLAM which equates to overall HLCB figures—to ensure consistency and comparability across disclosures. Where applicable, HLAM figures include HLISAM data as well.

SUSTAINABILITY STATEMENT

BOARD APPROVAL AND EXTERNAL ASSURANCE

This sustainability statement has been prepared with input and guidance from the Sustainability Steering Committee (“SSC”). It has been reviewed by the Board Audit and Risk Management Committee (“BARMC”) and approved by the Board of Directors (“Board”). External assurance for this sustainability statement was provided by SIRIM QAS International Sdn Bhd, with their assurance statement included on page 101 of this document.

MEMBERSHIP AND ASSOCIATIONS

We actively participate in industry groups, professional associations, and sustainability-focused networks to stay informed of emerging trends, contribute to policy dialogue, and collaborate on best practices. These memberships support our ongoing efforts to align with global standards, strengthen our ESG capabilities, and promote responsible business conduct within the financial services sector.

**MALAYSIAN INVESTMENT BANKING
ASSOCIATION**

**FEDERATION OF INVESTMENT
MANAGERS MALAYSIA**

**ASSOCIATION OF STOCKBROKING
COMPANIES MALAYSIA**

**INSTITUTIONAL INVESTORS COUNCIL
MALAYSIA**

**MALAYSIAN FUTURES BROKERS
ASSOCIATION**

**MALAYSIAN ASSOCIATION OF ASSET
MANAGERS**



Joint Committee
on Climate Change

Being part of the JC3, HLCB has been working alongside other members of the committee on developing practical tools for use by the industry players in a number of areas such as risk management, governance and disclosure, product and innovation, capacity building, and data issues and challenges.



PCAF

Partnership for
Carbon Accounting
Financials

HLCB is the first investment banking group in Malaysia to sign the Partnership for Carbon Accounting Financials (“PCAF”), a global initiative that helps financial institutions measure and report the greenhouse gas emissions from their loans and investments. This shows HLCB’s dedication to sustainability and clear emissions reporting.

AWARDS

The Asset Triple A: Islamic Finance Awards 2024

Best Asean Green SRI Sukuk -
Renewable Energy / Solar
(Best Deals by Country)
Joint Principal Advisers, Joint Lead
Arrangers & Joint Lead Managers

The Asset Triple A: Islamic Finance Awards 2024

Best Asean Green SRI Sukuk -
Renewable Energy / Solar
(Best in Sustainable Finance)
Joint Principal Advisers, Joint Lead
Arrangers & Joint Lead Managers

The Asset Triple A: Islamic Finance Awards 2024

Best Sukuk - Financial Institutions
Principal Adviser, Lead Arranger and
Lead Manager

FinanceAsia Achievement Awards 2024

Deal Awards (APAC) | Best Bond Deal
(Southeast Asia Highly Commended)
Principal Adviser, Lead Arranger and Lead Manager

FinanceAsia Achievement Awards 2024

Deal Awards (APAC) | Best Bond Deal (Malaysia Winner)
Principal Adviser, Lead Arranger and Lead Manager



FTSE4Good

HLCB has been a proud constituent of the Bursa Malaysia FTSE4Good Index since December 2022.

SUSTAINABILITY STATEMENT

SUSTAINABILITY HIGHLIGHTS

FY2025 Sustainability-Linked Products, Services and Engagements

RM240 million worth of investments classified as green bonds, representing a **45%** increase from FY2024.

RM1,071 million worth of issuances related to green energy, green building and/or sustainability financing, enabling the mobilisation of funds for sustainable development in Malaysia.

RM5.6 million total cumulative facility limit approval for our newly launched ESG Share Margin Financing, with a **225%** average cumulative monthly increase in FY2025.

28 engagements with existing and potential corporate clients via pitches with sustainable finance elements, representing a **fourfold** increase compared to FY2024.

RM3,650 million worth of AUM with integration of ESG analysis, close to **50%** of our fixed income and equity funds portfolio.

RM12 million worth of combined AUM under our ESG and Shariah ESG funds, representing a **28%** increase from FY2024.

89% of FBM KLCI companies under coverage with HLIB research team's ESG Snapshot, which educates stakeholders on ESG perspectives in their investment decisions.

FY2025 Key Progress Aligned to HLCB's Sustainability Framework



Impactful Digitalisation

- Newly launched the HLeFutures fully digital platform for derivatives trading.
- 17% growth in cumulative number of users for our HLAM iSmart Invest app.
- Zero identified leaks, thefts, or losses of customer data.



Addressing Climate Change

- Established mid-term and long-term climate-related targets.
- Established HLCB's Net Zero Transition Pathway guidance document.
- Became a PCAF signatory. Quantified and published initial financed emissions ahead of schedule.
- Recorded a 27% reduction in our combined absolute Scope 1 and Scope 2 emissions compared to our FY2019 baseline.



Strengthening Internal Capabilities

- Attrition rate decreased by 7.6%.
- Conducted 24 internal and 26 external ESG training sessions.
- Zero reports on grievances or incidents related to harassment, bullying, or discrimination.



Engaging on Sustainability

- 958 individuals positively impacted via our engagements on financial inclusion and financial literacy.
- 220% growth in beneficiaries across individuals in need and social enterprises.
- Zero reported incidents of labour and human rights violations.

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

We have continued to integrate sustainability into our business and aim to support Malaysia's broader national efforts towards sustainable development. Guided by our HLCB Sustainability Framework ("Sustainability Framework") and anchored by strong governance, we implement targeted strategies that drive meaningful, long-term impact.

Sustainability Leadership Statement

At HLCB, our journey toward sustainability is not driven by obligation, but by purpose. FY2025 marks a pivotal year in our transformation, one shaped and driven by our Sustainability Framework consisting of four distinct pillars. Through our first pillar, **Addressing Climate Change**, we are building climate resilience from within by continuously strengthening our governance and climate risk management processes, while expanding our sustainable finance portfolio. These efforts are not just environmental imperatives; they are strategic investments in Malaysia's future.

Digitalisation continues to redefine our industry, and we are embracing it not just as a tool for efficiency, but as a catalyst for inclusion and empowerment. Our efforts are encapsulated in our second pillar, **Impactful Digitalisation**, where technology serves people, not the other way around. **Strengthening Internal Capabilities**, is about building a talent pipeline from within, where we focus on nurturing future-ready talent and fostering a culture of purpose-driven innovation. Finally, through **Engaging on Sustainability**, we continue to promote social upliftment via our financial inclusion and financial literacy engagements as well as planned yearlong corporate social responsibility ("CSR") initiatives.

Looking ahead, our focus is clear, which is to lead with integrity and grow with purpose. Sustainability is not a destination but it's a mindset. And at HLCB, we are committed to shaping a future that is inclusive, resilient, and responsible.

Lee Jim Leng

Group Managing Director/Chief Executive Officer of HLIB

SUSTAINABILITY FRAMEWORK

Our Sustainability Framework guides the integration of sustainable practices across the organisation through four key pillars, focusing on impact to our business, the environment, and communities. It was developed and established in support of a transition to a low-carbon economy and was built on the foundations of consistent stakeholder engagement and robust materiality assessments.



In FY2025, we began identifying sustainability-related risks and opportunities that align with each pillar of our Sustainability Framework. These efforts will progressively shape strategic initiatives to address risks and capture opportunities effectively and initiate our journey towards adopting the IFRS S1 and S2 standards.

STAKEHOLDER ENGAGEMENT

Consistent engagement with key stakeholders enables us to create long-term value by addressing those who impact or are affected by our operations. Through ongoing dialogue, we gather insights that help identify material sustainability issues, guiding our strategic planning and sustainability initiatives.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholder	Engagement Channels	Areas of Interest
Employees	• Daily operations • Performance management • Whistleblowing channels • Corporate communications • Training and development	• Effective communication • Professional development • Job security • Benefits and well-being • Transparency
Investors	• Corporate website • Annual reports • Announcements • Financial reports • General meetings • Whistleblowing channels	• Corporate governance • Financial performance • Regulatory compliance • Transparency
Regulators & Authorities	• Daily operations • Audits • Meetings • Circulars • Enforcement • Reports	• Regulatory compliance • Corporate governance • Ethical business conduct
Clients	• Daily operations • Social media • Corporate communications • Corporate events/workshops	• Client experience • Value-added products and services • Data privacy and cybersecurity • Ethical business conduct
Community	• Daily operations • Social media • Roadshows and events • Corporate communications • Corporate social responsibility events	• Ethical business conduct • Transparency • Community investment • Financial inclusion • Financial literacy
Vendors & Suppliers	• Procurement process • Tender process • Due diligence reviews (for outsourced service providers) • Proof of Concept engagements	• Fair procurement • Transparent tender processes • Ethical business conduct
Analysts and Media	• Social media • Corporate website • Media announcements	• Transparency • Strategic communication
Associations	• Meetings • Corporate events • Online correspondences	• Industry stewardship • Regulatory compliance

Sustainability Driven Stakeholder Engagements

We actively **integrate sustainability elements into our engagements** with our customers and clients, aiming to promote access to sustainable financing and sustainable investment practices in Malaysia.

HLIB's **Client Coverage team conducted 28 pitches with sustainable elements in FY2025**, covering Green Bonds/Sukuk, and Sustainability-Linked Bonds/Sukuk, as part of ongoing efforts to help corporate clients better understand and explore financing options. This marked over a fourfold increase from 6 pitches in FY2024.

Additionally, at HLIB's Stockbroking division, **37.5% of our engagements with retail clients included sustainable investing elements**. Stockbroking held 12 engagements via webinars, road shows and campaigns to promote sustainable investment practices. Moving forward, the division aims to increase engagements with sustainability elements to at least 50% by FY2026.

Our Debt Markets division **supported companies in raising capital for ESG and sustainability purposes**, working closely with Client Coverage to pursue new opportunities for ESG financing mandates, and expanded access to green and sustainable finance. For more information on the sustainable finance-linked transactions completed by Debt Markets, please refer to our page 57 of our Addressing Climate Change chapter.

SUSTAINABILITY STATEMENT

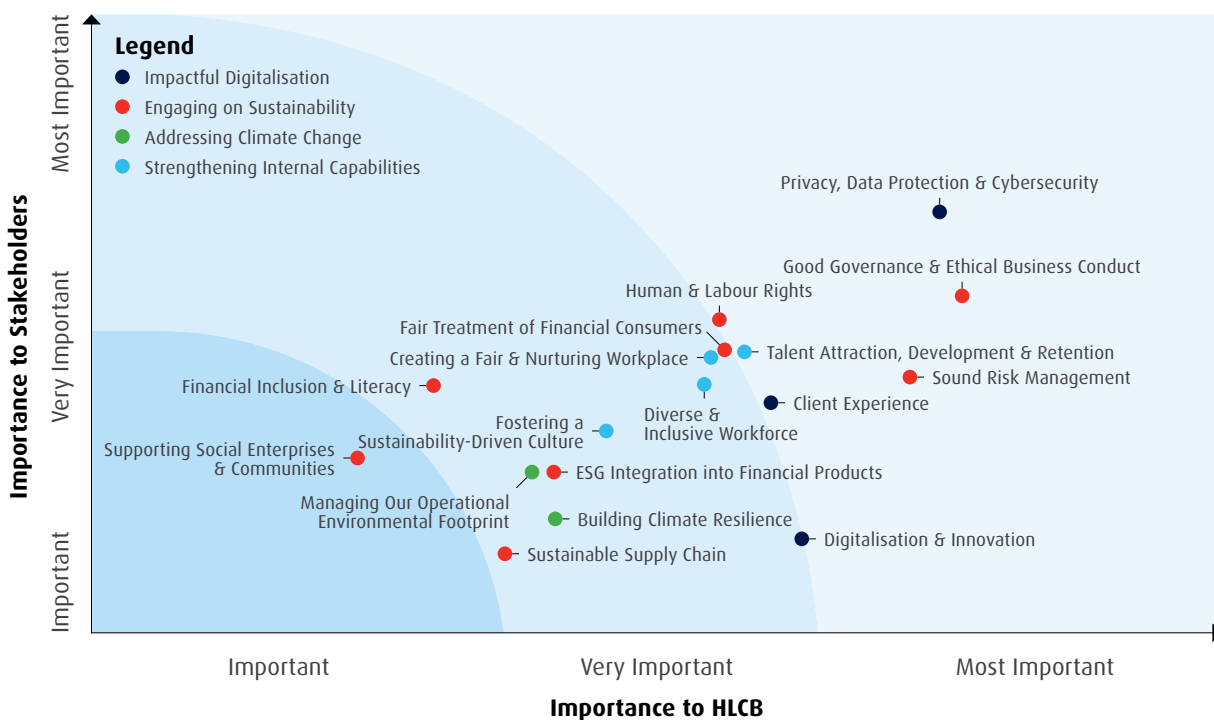
HLAM's engagement approach is guided by its Equity Investment Policy. **HLAM maintains regular discussions with executives and directors of the companies the entity invests in.** Engagement frequency depends on company size, our ownership stake, the company's history, the urgency of any concerns, and interest in specific issues or themes. Engagement outcomes are recorded in HLAM's Engagement Notes.

MATERIALITY

Materiality assessments help us understand stakeholder priorities and emerging sustainability risks and opportunities, enabling us to allocate resources effectively and create long-term value aligned with stakeholder and business goals. At HLCB, these are conducted biennially, with the most recent in FY2023 focusing on our outward impacts. While a full reassessment is planned in the near future to align with IFRS S1 requirements, we conducted a materiality review in FY2025 that confirmed the continued relevance of our current material topics.

Our review included benchmarking against regional and global banks, conducting detailed desktop research on current sustainability trends and regulatory developments, and presenting our findings to the SSC. It was concluded that all existing material topics remain pertinent and accurately reflect our key sustainability priorities.

MATERIALITY MATRIX



ABOUT OUR MATERIAL MATTERS

Framework Pillars	Material Matter	Description and Boundary	Contribution to the SDGs
Impactful Digitalisation	Digitalisation & Innovation	Leveraging advanced data analytics and digital systems to develop innovative products aligned with customers' needs, whilst simultaneously increasing accessibility of our products to new and existing customers.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Client Experience	Embedding a client-centric culture throughout the organisation and undertaking initiatives to enhance end-to-end client experience satisfaction; leading to higher client retention rates.	
	Privacy, Data Protection & Cybersecurity	Safeguarding employees' and clients' data from unauthorised access, cyber attacks and threats through responsible collection, handling, storage and protection of personal and proprietary data.	

SUSTAINABILITY STATEMENT

Framework Pillars	Material Matter	Description and Boundary	Contribution to the SDGs
Addressing Climate Change	Managing our Operational Environmental Footprint	Responsibly optimising resource efficiency to effectively manage the environmental footprint of our operations, especially in the area of energy management, paper consumption, water consumption, and Greenhouse Gas ("GHG") emissions.	
	Building Climate Resilience	Embedding climate-related risks into our risk management and operational framework to facilitate a seamless transition towards a low-carbon economy, including reducing exposure to high-risk sectors and supporting low carbon solutions.	
Strengthening Internal Capabilities	Talent Attraction, Development and Retention	Establishing a sustainable, high-quality talent stream, whilst also fostering a growth mindset in our employees to ensure their adaptability in the ever-evolving business and technological landscape.	 
	Diverse and Inclusive Workforce	Promoting and embracing a diverse and inclusive workplace, whereby all employees are treated equally and without discrimination, thus encouraging productivity and innovation.	
	Creating a Fair and Nurturing Workplace	Creating an inclusive and supportive work environment which prioritises employees health and safety, improves their well-being, and promote work-life balance via effective policies, processes, and labour standards.	
	Fostering a Sustainability Driven Culture	Establishing a corporate culture that embraces and promotes sustainable practices, values, and behaviours throughout the organisation, including encouraging employee volunteerism and implementing ESG capacity-building programmes.	
Engaging on Sustainability	Fair Treatment of Financial Customers	Ensuring fair treatment of our customers throughout our operations by prioritising their financial needs and risk appetite, as well as providing transparent, accurate, and comprehensive information about our products and services.	  
	Good Governance and Ethical Business Conduct	Committed to conducting our business and operations professionally, while adopting the highest standards of ethics, integrity, transparency, and accountability, in order to maintain stakeholders' trust in the organisation.	
	Sound Risk Management	Upholding a strong compliance culture throughout the organisation to ensure adherence to applicable laws, regulations, and standards, as well as preventing financial crimes including money laundering, terrorism financing, fraud, corruption, and bribery. Adopting a systematic and comprehensive risk management approach in identifying and mitigating emerging risks to our business activities by investing in people, technology, policies, and processes.	
	ESG Integration into Financial Products	Integrating ESG factors into fund management processes including through impact investing and screening, as well as supporting our clients' low-carbon transition journey via the issuance of green and sustainable finance.	

SUSTAINABILITY STATEMENT

Framework Pillars	Material Matter	Description and Boundary	Contribution to the SDGs
Engaging on Sustainability	Financial Inclusion and Literacy	Empowering individuals and businesses to improve their financial well-being by promoting financial literacy and facilitating accessibility of affordable financial services to all segments of society.	10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
	Sustainable Supply Chain	Upholding sustainability procurement principles across the supply chain via robust supplier policies, assessment, and engagement practices, whilst also encouraging supplier diversity to include local businesses.	
	Human and Labour Rights	Implementing policies and performing due diligence to ensure the protection and respect of human rights throughout our value chain and business operations, including prevention of human rights violations.	
	Supporting Social Enterprises and Communities	Forming strategic partnerships with social enterprises for community empowerment programmes as a way of creating long-term environmental and social impact for underserved communities across our operations.	

IDENTIFYING AND ADDRESSING MATERIAL SUSTAINABILITY RISKS AND OPPORTUNITIES

We have begun evaluating the risks and opportunities linked to each material topic under our Sustainability Framework. This allows us to assess their potential business impact and develop strategic action plans for continuous monitoring and improvement.

IMPACTFUL DIGITALISATION

MATERIAL TOPICS

- Digitalisation & Innovation
- Client Experience
- Privacy, Data Protection & Cybersecurity

Potential Business Implications	
Impact Area	Potential Implications
 Financial	Higher cost required to constantly digitalise and strengthen cybersecurity Capture bigger market share by introducing new digital services
 Social & Relationship	Improved customer experience, trust and satisfaction from digital products with robust data protection

Potential Risks	Strategic Action
- Higher prevalence of online scams from rapid digitalisation - Potential use of AI to detect cybersecurity vulnerabilities - Market competition due to the rapid pace of digitalising financial services	- Offer a variety of services via digital platforms that enable clients to enjoy a seamless experience. Please refer to page 66 to 67 of our Digitalisation and Innovation section for more information. - Monitor our digital transactions to gauge the uptake of our platforms. Please refer to page 66 of our Digitalisation and Innovation section for more information. - Invest in cybersecurity systems and conduct internal awareness training regularly. Please refer to page 70 of our Privacy, Data Protection & Cybersecurity section for more information. - Monitor customer complaints and complaints resolution rates with the aim of preserving client/customer satisfaction. Please refer to page 70 of our Client Experience section for more information.
Potential Opportunities	
- Improved customer retention as digitalisation enables more people have easy access to investment products - Investing in seamless digitalisation ensures client satisfaction is preserved - Improved trust and relationship with clients due to robust systems data protection systems	

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

MATERIAL TOPICS

- Managing our Environmental Footprint
- Building Climate Resilience

Potential Business Implications

Impact Area	Potential Implications
 Financial	Revenue generation via the introduction of new financial products with ESG integration High expenditure needed to reduce emissions from own operations
 Assets & Infrastructure	Potential future physical climate impact on strategic buildings and branches
 Employees	Development of in-house expertise for managing climate risks and opportunities via specialised training
 Environment	Reduced environmental impact by optimising operational energy and materials consumption Increased energy and material consumption as business activities expand Physical business expansion can increase environmental footprint and impact biodiversity

Potential Risks

- Higher cost of emissions due to increased energy and material consumption owing to growth in business activities
High CAPEX to invest in energy optimisation
- High exposure to climate risks due to inadequate sustainability risk management processes

Potential Opportunities

- OPEX reduction due to energy optimisation
- Improved brand recognition and reputation owing to alignment with national targets towards decarbonisation

Strategic Action

- Climate, Financing and Independent Credit Review (“ICR”) unit established with roles dedicated to managing sustainability risks, including climate risks. Please refer to page 53 of our Managing Climate Risk section for more information.
- Stress tests regularly conducted to monitor physical and transition climate risk impact on assets and portfolios. Please refer to page 38 of our Sustainability Governance section for more information.
- Specialised sustainability-related training provided for employees. Please refer to page 78 of the Fostering a Sustainability Driven Culture section for more information.
- Energy reduction initiatives and campaigns conducted to reduce consumption from operations. Please refer to page 61 to 63 of the Managing Our Environmental Footprint section for more information.

SUSTAINABILITY STATEMENT



STRENGTHENING INTERNAL CAPABILITIES

MATERIAL TOPICS

- Talent Attraction, Development & Retention
- Diverse & Inclusive Workforce
- Creating a Fair & Nurturing Workplace
- Fostering a Sustainability Driven Culture

Potential Business Implications	
Impact Area	Potential Implications
 Financial	Increase in cost required to provide relevant upskilling for employees Reduced attrition can mitigate cost impact to rehiring and retaining new employees
 Products	New efficient systems and new products introduced as a consequence of strengthening employee innovation via training
 Employees	Providing adequate upskilling and promoting well-being improves employee satisfaction

Potential Risks	Strategic Action
• Fines from negative reputational perception due to potential discrimination cases • Increased attrition rates leads to increased hiring & training cost	• Regular general training provided for employees and two-way communication encouraged via appraisals. Please refer to page 72 to 74 of the Talent Attraction, Development, and Retention section for more information.
Potential Opportunities	
• Creating a safe work environment, with opportunities for professional development can help increase retention rates and reduce costs related to hiring and training • A diverse workforce helps improve employee productivity	• Sustainability-specific training provided for relevant employees to create champions who promote a culture of sustainability. Please refer to page 78 of the Fostering a Sustainability Driven Culture section for more information. • Employee engagement activities conducted yearly as a means to boost morale. Please refer to page 74 of the Talent Attraction, Development, and Retention section for more information. • Workforce diversity data monitored and presented regularly at management committee meetings. Please refer to page 75 of the Diverse and Inclusive Workforce section for more information.

SUSTAINABILITY STATEMENT



ENGAGING ON SUSTAINABILITY

MATERIAL TOPICS

- Fair Treatment of Financial Consumers
- Sound Risk Management
- Financial Inclusion & Literacy
- Human & Labour Rights
- Good Governance & Ethical Business Conduct
- ESG Integration into Financial Products
- Sustainable Supply Chain
- Supporting Social Enterprises and Communities

Potential Business Implications

Impact Area	Potential Implications
 Stakeholder Relationships	Strengthening local economies by partnering with local suppliers, fostering inclusive economic growth and building long-term client relationships Erosion of stakeholder trust if governance practices are outdated or lacking transparency
 Financial	Supporting the growth of local economies by sourcing from local suppliers
 Products	Growth in innovation and product offerings by developing ESG-integrated financial products in response to demand
 Employees	Improved employee well-being through policies that uphold labour rights and workplace fairness
 Environment	Strong sustainability risk governance reduces exposure to sustainability risk, including climate risk

Potential Risks

- Potential legal cases from clients/customers due to non-transparent product terms
- Reputational risk from not conducting adequate community engagements
- Sustainability risk management policies that are too stringent may reduce capital raising opportunities for smaller cap companies
- Lack of new ESG products (including product promotion) may result in untapped revenues despite increase in market demand
- Stringent supplier ESG assessments reduce opportunities for small and medium enterprises ("SME")
- Potential fines arising from a lack of strong governance practices

Potential Opportunities

- Local procurement, including SMEs and social enterprises, can encourage growth of local industries
- Regulator and customer/client trust from having strong internal governance policies
- Robust governance ensures company's operational stability
- Strong sustainability risk governance reduces exposure to sustainability risk, including climate risk

Strategic Action

- Yearly comprehensive compliance reviews to ensure policies and governance procedures are resilient. Please refer to page 80 to 81 of the Good Governance & Ethical Business Conduct section for more information.
- Progressive efforts taken to introduce new ESG-integrated and ESG-themed products. Please refer to page 54 to 55 of the Sustainable Investments And Products section for more information.
- Conduct yearly financial education engagements sessions with retail and institutional clients. Please refer to page 28 of the Sustainability Highlights and page 30 of the Stakeholder Engagement sections section for more information.
- Procurement Management Policy includes sustainability criteria. Please refer to page 83 of the Sustainable Supply Chain section for more information.
- The HR department regularly monitors any reported instances of human rights concerns. Please refer to page 83 of the Human and Labour Rights section for more information.
- Established the HLCB CSR Framework ("CSR Framework") and CSR Core Committee to drive impact for social enterprises and communities. Please refer to page 85 to 87 of the section on Supporting Social Enterprises and Communities for more information.

SUSTAINABILITY STATEMENT

MANAGING TRADE-OFFS

Trade-offs reflect how organisations balance short-term pressures with long-term sustainability and business goals. Managing these trade-offs helps optimise resource allocation, sharpen strategic focus, and strengthen risk and opportunity management. In FY2025, we began identifying such trade-offs within our operations and aligning key initiatives to address them.

Sustainability Culture vs. Training Expenditure

Fostering a strong sustainability culture among employees is a key priority. While training programmes require upfront investment, they enhance human capital by building awareness and skills, ultimately supporting the effective integration of sustainability across our operations.

Expected Trade-Offs



Financial capital utilised

VS.



Improvement in employee capabilities, innovation and productivity

Sustainable Products vs. Revenue Generation vs. Client Engagement

HLCB acknowledges the differing levels of familiarity and adoption of sustainability-linked products between retail and corporate investors. Retail investors are still learning about sustainability-linked products, while regulations are a key driver for increased adoption of sustainability practices among corporates. As a result, sustainability-linked products may yield different returns and revenue potential compared to traditional instruments.

Nonetheless, HLCB is committed to expanding our sustainability-linked portfolios. We recognise that increasing demand requires proactive stakeholder engagement, particularly through client education. To support this, we have established dedicated engagement channels to promote and raise awareness of sustainable financial products. For details, please refer to page 54.

Expected Trade-Offs



Potential impact to profit

VS.



Increase awareness in sustainable investing and sustainable financing in Malaysia

SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE STRUCTURE

Our sustainability governance structure guides the integration of sustainability considerations into our strategy, operations, and decision-making. Oversight by our Board and dedicated sustainability committees ensures that we manage sustainability risks, seize emerging opportunities, and align with stakeholder expectations — creating long-term value for both our business and society.



SUSTAINABILITY STATEMENT

ROLES AND RESPONSIBILITIES

In FY2025, we restructured our sustainability governance, renaming and consolidating the Sustainability Department to Enterprise Sustainability under the Risk Management department, in order to better integrate our sustainability efforts and overall risk management strategies.

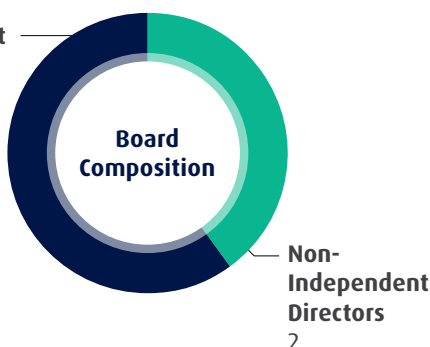
Governing Body	Roles and Responsibilities
Board of Directors	- Provides overall direction and oversight for sustainability initiatives, including climate-related governance. - Ensures sustainability policies align with business strategies and promotes sound corporate governance.
Board Audit and Risk Management Committee	- Supports the Board in overseeing sustainability, including climate-related governance. - Oversees senior management's implementation of governance, compliance, risk management, and internal controls.
Sustainability Steering Committee	- Led by the Group Managing Director and CEO of HLIB, advises BARMC on sustainability strategies. - Approves sustainability strategies, material topics, disclosures, and policies. - Supervises and tracks the execution of sustainability initiatives.
Sustainability Working Committee	- Led by the Chief Sustainability Officer, coordinates and executes sustainability initiatives. - Monitors progress and milestones of sustainability initiatives. - Manages action plans and provides subject matter expertise.
Enterprise Sustainability	- Implements the Group's sustainability strategy in collaboration with business and support functions. - Facilitates sustainability awareness programmes. - Serves as the SSC secretariat and coordinates sustainability reporting.
Climate, Financing and Independent Credit Review	- Develops and drives sustainability risk-related policies, procedures and risk management tools to manage sustainability risks effectively. - Provides guidance and advisory services on sustainability risk related matters. - Actively identifies, measures, assesses, monitors and reports sustainability risks.

BOARD COMPOSITION

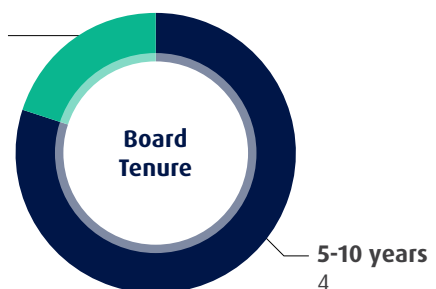
Our Board is thoughtfully composed to ensure diverse perspectives, independence, and effective oversight. Currently, independent directors comprise 60% of the Board, reinforcing objectivity in decision-making and upholding strong governance standards. Our Board also reflects a balanced mix of experience, supporting both strategic continuity and the infusion of new perspectives aligned with our sustainability goals.

FY2025 Board Composition and Tenure

Independent Directors
3

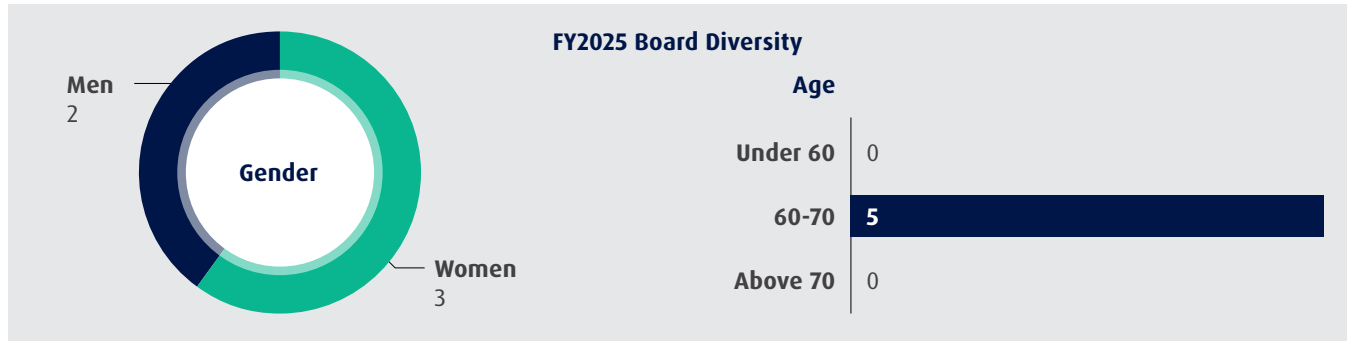


<5 years
1



SUSTAINABILITY STATEMENT

Gender diversity remains a priority, with women representing 60% of our Board, contributing a broad range of expertise and leadership styles. This achievement enables us to meet the target of a minimum of 30% female representation in the Board which is set out in the Malaysian Code on Corporate Governance (“MCCG”) 2021 issued by the Securities Commission Malaysia. Geographically, 80% of our directors are Malaysian, primarily aged 60-70, offering strong regional insight and leadership maturity.



BOARD AND SENIOR MANAGEMENT SUSTAINABILITY ENGAGEMENTS

At HLCB, we recognise the vital role of our highest governance body in overseeing sustainability. To strengthen this, we continuously build leadership capacity on sustainability and climate-issues through targeted engagements and capacity-building initiatives. Our bi-strategic approach keeps the Board and Senior Management informed and aligned with the evolving sustainability landscape.

Our Approach to Strengthening Board and Senior Management Sustainability Knowledge

- ▶ Arrange regular sustainability-related training
- ▶ Regular engagements via structured reporting channels



Threefold increase in FY2025 Board Training compared to FY2024.

BOARD SUSTAINABILITY TRAINING

As the highest governing body, our Board provides oversight of sustainability-related risks and opportunities. To support effective integration of ESG into strategy, decision-making, and risk management, the Board participated in 13 training sessions in FY2025 which represents close to a threefold increase in training compared to FY2024.

Total HLCB Board Training Sessions



Key Board Training Sessions and Topics



Key Cyber Insights, AI and Technology Trends



Mandatory Accreditation Programme (“MAP”) Part 2 on Sustainability



IFRS S1 and IFRS S2



Ethics in Sustainability Reporting



Proofing Governance & Risk: Strategies For A Disruptive Era



Anti-Money Laundering Training

SUSTAINABILITY STATEMENT

BOARD AND SENIOR MANAGEMENT SUSTAINABILITY ENGAGEMENTS

We maintain proactive engagement across key governance structures, with departments accountable for their sustainability initiatives and providing quarterly updates to the SWC. The SWC reports to the SSC, which oversees the Group's overall sustainability plan and reports to the BARMC, which in turn reports to the Board. This structure ensures effective oversight and keeps the Board and Senior Management informed on sustainability matters.

Type of Meeting	Frequency of Meetings in FY2025	Key Sustainability Topics Discussed
BARMC Meetings: Engagements with Board-level members on general sustainability-topics and climate-related topics	4 meetings	General Sustainability Matters • Introduction to IFRS S1 & S2, HLCB's gaps and short term strategy • Introduction to Double Materiality concepts • Establishment of a CSR Framework and a CSR Core Committee • Introduction to in-house developed sustainable products and investments dashboard • HLCB's disclosure gap analysis against GRI and FTSE4Good and short-term strategy to close gaps • Quarterly progress updates for sustainability initiatives tied to HLCB's Sustainability Framework Climate-Specific Matters • Climate related opportunities - HLIB's Green Bond Framework and HLIB's RM100 million Green Subordinated Notes Programme • Introduction to PCAF and proposal to become a member • HLCB's first operational environmental performance update using the in-house GHG inventory system. Presented quarterly in subsequent meetings • HLCB's Scope 3 Materiality assessment presentation • HLCB initial study towards Operational Net Zero Strategy for Scope 1 and Scope 2 • HLCB overall Net Zero Transition Plan
SSC Meetings: Engagements with our Senior Management by our Enterprise Sustainability team	5 meetings	General Sustainability Matters • Overview of HLCB's FY2025 key sustainability initiatives and quarterly progress • Gap analysis of HLCB's sustainability disclosures • Introduction to Double Materiality from an operational perspective • Introduction to IFRS S1 & S2, HLCB's gaps and short-term strategy • Establishment of a CSR Framework and CSR Core Committee • Introduction to in-house developed sustainable products and investments dashboard • CRMSA Gap analysis and HLCB's strategy to 100% compliance by FY2025 • FY2025 materiality review results Climate-Specific Matters • Climate related opportunities - educating SSC member on products to be tracked as climate-positive • Introduction of HLCB's internal GHG inventory system • Scope 1 and Scope 2 progress update against targets • HLCB Scope 3 Materiality assessment presentation • Staff EV campaign proposal to reduce Scope 3 Category 7 • First internally computed employee travel Scope 3 emissions

SUSTAINABILITY STATEMENT

BOARD AND SENIOR MANAGEMENT SUSTAINABILITY EXPERIENCE AND KPI

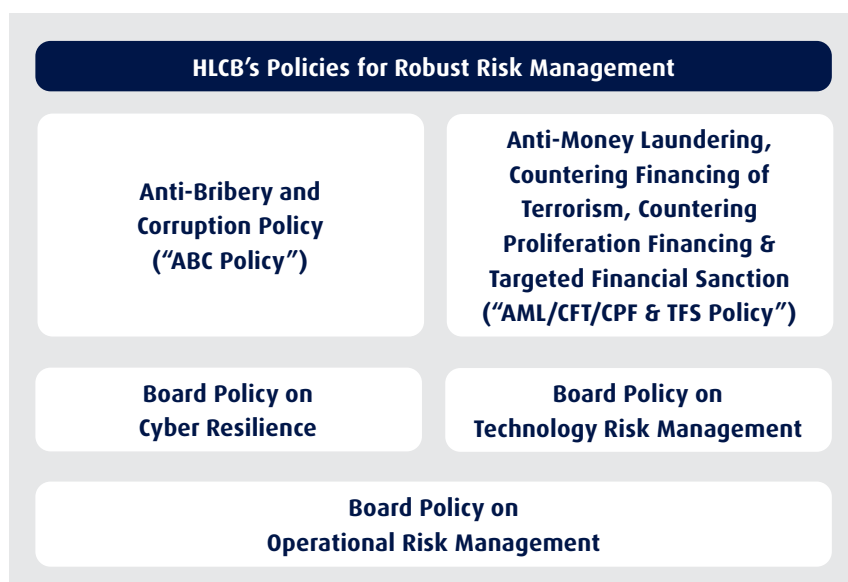
Our Board brings diverse expertise in finance, technology, risk management, regulation, and sustainability, enabling a well-rounded approach to addressing emerging ESG risks and opportunities.

HLCB Board	
Board Skills/Experience	No of Directors
Technology - Has education or academic qualifications in technology or data-related studies - Has previous experience working in a Senior Management role in a technology-related organisation - Has attended cybersecurity, technology and data application-related courses	5
Leadership Has held a CEO and/or Senior Management position in a listed company, large and/or complex organisation or government body	5
Corporate Governance and Risk Management/Compliance - Possesses experience in areas including, but not limited to, designing and applying corporate governance, risk management and/or compliance - Has experience as a director and/or executive of a listed company, large and/or complex organisation or government body	5
Sustainability and/or Climate Governance - Possesses experience in areas including, but not limited to, designing and applying sustainability frameworks, sustainability governance, climate governance and/or setting sustainability goals - Possesses knowledge and an understanding of climate risk, climate risk management, sustainable finance and/or climate related targets (e.g. Net Zero, Carbon Neutral)	5
Financial Acumen Possesses good understanding of financial statements of large corporations and businesses, including the ability to assess financial-related risk controls	5
International Business Experience	3
Legal and Regulatory Requirements	5

HLCB has formalised sustainability considerations into our remuneration practices to drive accountability and performance. ESG factors are included in our Board's annual assessment, to help gauge and strengthen their collective readiness on sustainability matters. For senior executives, including the Group Managing Director ("GMD") of HLIB and the Chief Executive Officer ("CEO") of HLAM, 10% of their Key Result Areas ("KRAs") are linked to ESG indicators, while for all other employees, ESG-related KRAs account for 5% of performance evaluations.

SUSTAINABLE RISK MANAGEMENT

At HLCB, effective overall risk management underpins our sustainable business practices. We adopt a systematic, top-down approach to identifying and addressing emerging risks while ensuring regulatory compliance and organisational resilience, guided by the Board and BARMC, and driven by our Chief Risk Officer. Our Risk Management Framework, aligned with BASEL standards, is supported by comprehensive policies and promotes continuous awareness to strengthen controls and protect stakeholder value.



SUSTAINABILITY STATEMENT

Sustainability risks are becoming increasingly prevalent and demand effective management. HLCB is committed to progressively embedding these risks into our overall risk management processes to support resilience and long-term value creation. We continue to integrate sustainability-linked elements into our Group-wide policies, enabling smoother incorporation of ESG considerations into daily operations.

HLCB's Policies with ESG-Integration		
HLIB's Policies	HLAM's Policies	HLISAM's Policies
• HLIB Board Policy on Operational Risk Management • HLIB Board Policy on Technology Risk Management • HLIB Board Policy on Cyber Resilience • HLIB Cloud Computing Management Policy • HLIB Board Policy on Assets and Liability Management • HLIB Board Policy on Risk Management • HLIB Core Credit Risk Policy • HLIB Procurement Management Policy, which covers HLAM as well • HLIB New Products and Services Policy	• HLAM Equity Investment Policies • HLAM Credit Policy • HLAM Investment Risk Policy • HLAM Risk Management Framework • HLAM Board Policy on Cyber Resilience • HLAM Cloud Computing Management Policy • HLAM Board Policy on Technology Risk Management	• HLISAM Shariah Compliant Equity Investment Policies • HLISAM Credit Policy • HLISAM Investment Risk Management Policy

In FY2025, HLIB took a progressive step forward and enhanced the Board Policy on Sustainability Risk ("BPSR"). The BPSR outlines guidelines for managing sustainability risks within HLIB, ensuring that environmental and social impacts related to our portfolio are properly handled. The enhancements made in FY2025 include the refinement of high risk sectors, establishment of scenario analysis where the scenarios are aligned with BNM's requirements and the E&S rating framework.

The HLAM Equity Investment Policy and the HLISAM Shariah Compliant Equity Investment Policies form the foundation of how ESG considerations are integrated within HLAM's and HLISAM's investment practices. More information can be found on page 30.

THREE LINES OF DEFENCE

To ensure robust management of risks, HLIB employs the three lines of defence model. This approach clearly defines accountability and risk ownership across the organisation. Specifically, the Business Units, Risk Management Department, and Internal Audit Department serve as the first, second, and third lines of defence, respectively.

Business Units	Risk Management Department	Internal Audit
Lead by respective Head of Departments	Led by Chief Risk Officer*	Led by Head of Internal Audit*
First Line of Defence	Second Line of Defence	Third Line of Defence
Conduct due diligence on customers prior to on boarding and conduct continuous due diligence during annual review.	• Develop and drive sustainability risk-related policies, procedures and risk management tools to manage sustainability risks effectively. • Provide guidance and advisory services on sustainability risk related matters. • Actively identify, measure, assess, monitor and report sustainability risks within the organisation. • Continuously enhance sustainability-related risk management practices based on the latest developments.	Conduct regular validation on the effectiveness of the implementation of HLCB's sustainability risk management framework.

* The senior responsibility for risk falls under our Chief Risk Officer which is separate from our Head of Internal Audit

SUSTAINABILITY STATEMENT

SUSTAINABILITY RISK ASSESSMENTS

Reflecting HLCB's commitment to sustainability, ESG assessments have been integrated into client risk profiling to provide a more comprehensive view beyond traditional financial metrics.

At HLIB, a systematic process has been institutionalised to identify and mitigate sustainability risks across lending, underwriting, and bond investment portfolios. This process combines exclusion and sustainability integration approaches, with exclusion criteria applied during the initial client screening stage.

HLIB's Exclusionary List	▶ Fishing activities using drift nets or explosive
	▶ Production or trade in military weapons or firearms
	▶ Involvement in forced labour, exploitation of children and human trafficking
	▶ Activities resulting in significant conversion or degradation of high biodiversity value areas
	▶ Operations which use fire for land clearance or preparation of land
	▶ Involvement in money laundering, crime, terrorism or illegal activities (e.g. illegal waste management, illegal deforestation, commercial sex trade, illegal drug trade)

HLIB adopts a sustainability integration approach through an internally developed Environmental and Social ("E&S") risk assessment. This tool complements BNM's Climate Change and Principle-based Taxonomy ("CCPT") classification and includes social risk considerations, providing a more comprehensive view of client sustainability performance. Conducted during customer due diligence, the assessment yields both a CCPT classification and an internal E&S rating.

The E&S checklist evaluates clients' inherent risks and mitigation strategies, supporting informed decisions in lending, underwriting, and bond investments. The BPSR embeds this E&S framework to help manage sustainability-related risks across portfolios.

Sectors are classified as green, high risk, general exclusion, or unclassified. All clients undergo environmental ("E") due diligence, while only those in high social ("S") risk sectors are subject to additional S due diligence. This assessment strengthens HLIB's understanding of portfolio exposure to climate risks. For more details, refer to the Addressing Climate Change section on page 52 to 53.

	HLIB's High Risk Environmental Sectors	HLIB's High Risk Social Sectors
Agriculture and Forestry	✓	
Mining and Quarrying	✓	
Manufacturing	✓	
Construction	✓	
Electricity and Gas Supply (non-renewable)	✓	
Transportation	✓	
Waste Management	✓	

SUSTAINABILITY STATEMENT

HLAM integrates ESG assessments into its investee evaluation process to support a robust, data-driven approach to sustainability risk management. Using insights from ESG data subscriptions, HLAM evaluates potential investments based not only on financial performance but also on ESG practices. This ensures alignment with its sustainable investing commitment. For more details, refer to page 57 of the Addressing Climate Change chapter.



SUSTAINABILITY RISK MONITORING AND ASSURANCE

HLIB's Sustainability Risk Monitoring Reports, regularly presented to the Risk Management Committee ("RMC") and BARMC, offer a comprehensive overview of the Bank's portfolio exposure to climate-related risks. As ESG data and climate risk assessments continue to evolve, HLIB is actively refining its internal systems, data collection processes, and methodologies to establish accurate baselines, set meaningful targets, and track progress effectively. HLIB will continue to integrate customer and industry data to further refine its metrics and targets to meet all disclosure requirements as more granular information becomes available.

To complement these monitoring efforts, HLIB has implemented a sustainability risk assurance process to ensure ESG considerations are consistently applied throughout the customer lifecycle. This includes validating compliance during onboarding, credit underwriting, and financial facilitation activities such as verifying ESG certifications and completing Enhanced E&S Due Diligence Assessments where required. Additionally, ESG aspects are integrated into our Post Approval Credit Review to ensure the accuracy and justification of E, S, and E&S ratings, as well as CCPT classifications.

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE



OUR CLIMATE TARGETS AND AMBITIONS

We are committed to supporting Malaysia's goal of achieving Net Zero emissions by 2050 which involves reducing GHG emissions and promoting a just transition. Our efforts align with the National Energy Transition Roadmap enhance energy security and promote long-term sustainability.

In FY2025, we set targets to be Net Zero for Scope 1 and Scope 2 emissions by FY2030. This mid-term target builds upon our short-term target of reducing absolute Scope 1 and Scope 2 emissions by 15% to 25% by FY2026, compared to a FY2019 baseline. Our approach to achieving our FY2030 Scope 1 and Scope 2 Net-Zero target will be driven by a combination of GHG reduction initiatives and ultimately offsetting our residual emissions.

At HLCB, we are confident that our climate strategies, climate risk management governance, proactive capitalisation on climate-related opportunities and operational environmental impact management will enable us to achieve our targets. The following sections set out our approach towards reaching our climate targets.

BUILDING CLIMATE RESILIENCE

WHY IT MATTERS

We recognise that climate change presents both significant risks and emerging opportunities that can materially impact our business. We aim to progressively embed climate considerations across our operations, governance, and decision-making. This supports regulatory alignment, enhances portfolio resilience, and accelerates our transition to a low-carbon economy.

OUR APPROACH AND PERFORMANCE

CLIMATE STRATEGY

In FY2025, we took our first major step towards climate action with the development of the HLCB Net Zero Transition Plan ("NZTP"). Designed entirely in-house, the NZTP serves as the guiding framework for our climate strategy. While still in its early phase, it lays the foundation for more robust planning and action in the years ahead.

Our Net Zero Ambitions

By FY2026

15% to 25% reduction in absolute Scope 1 and 2 GHG emissions*

By FY2030

Net Zero for Scope 1 and 2 GHG emissions**

By FY2050

Net Zero for Scope 1, 2 and 3 (financed emissions)**

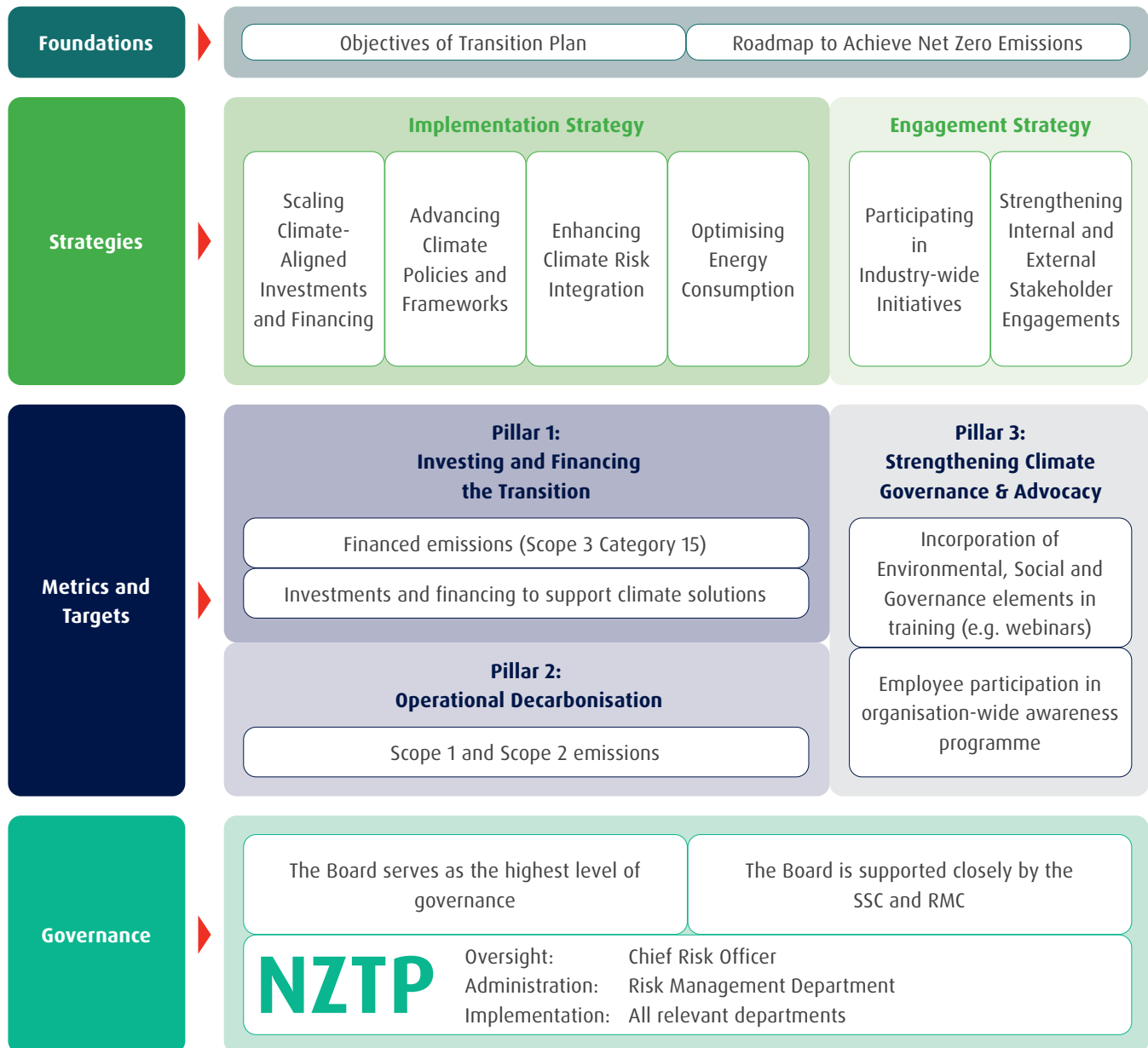
* Target set in FY2024

** Target set in FY2025

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE



We recognise this version of our NZTP as an initial roadmap towards achieving our climate goals, and are committed to enhancing the NZTP as we progress. This plan reflects our proactive approach to addressing climate change and our dedication to sustainability. Moving forward, future iterations of our NZTP will better guide our business strategy and decision-making process towards achieving our climate-related aspirations.

The following sections detail our approach to managing climate risks and seizing emerging opportunities through strategic planning and adaptive practices to build resilience and long-term value.

MANAGING CLIMATE RISK

At HLCB, managing climate risk is essential to our financial stability and operational resilience, while mitigating the impacts on our environment. We acknowledge that physical risks, such as extreme weather, and transition risks from policy and technology shifts, can significantly affect our portfolios, assets and operations. Consequently, we utilise tools to identify and manage these risks and incorporate climate considerations into our overall business. We also engage regularly with the SSC and BARMC to educate members on emerging climate risks and opportunities. For more information on the climate-related engagements with our senior leadership, please refer to page 40.

SUSTAINABILITY STATEMENT

Our Approach to Managing Climate Risk

Robust Governance

We apply an integrated approach in governing sustainability risks which includes climate risks. For more information please refer to page 38 to 41 of Our Approach to Sustainability chapter

End-to-End Risk Management Processes



Identifying Climate Related Risk



Integrating Quantitative Climate Risk Metrics



Assessing our Climate Risk Exposure



Climate Reporting

We are cognisant that climate risks have the potential to impact our assets and portfolios which may ultimately impact our business prospects. Our approach to managing these risks ensures we comply with regulatory requirements, integrate climate risk into capital adequacy planning and portfolio resilience, and capitalise on sustainable finance opportunities, safeguarding our business and driving sustainable growth.

IDENTIFYING CLIMATE RELATED RISK

HLIB's Climate Risk Transmission assessment was carried out to identify key climate risk drivers and their potential impacts across different timeframes, mapped to nine risk types. This forward-looking analysis highlights how transition risks - from shifting to a low-carbon economy, and physical risks - from acute and chronic climate events, may affect HLIB's financial and operational activities.



Short-term (1-3 years)



Medium-term (4-10 years)



Long-term (>10 years)

Climate Risk Drivers

Type(s) of Risk	Transition	Physical	Potential Impacts to the Business	Time Horizon (ST/MT/LT)
Credit	• Regulatory changes: Industry transitions to a low-carbon economy, affecting client's creditworthiness. • Changing market sentiment: Consumers become more eco-conscious, leading to reduced demand for non-environmentally friendly products and services.	• Natural disaster: Client's collateral destroyed. • Increased insurance cost for clients in flood-prone areas.	• Credit quality deterioration of clients that were unable to transition to low-carbon business and adapt to the demand of eco-conscious consumers. • Increased default risk due to the client's physical asset being damaged.	MT LT

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

Climate Risk Drivers				Time Horizon (ST / MT / LT)
Type(s) of Risk	Transition	Physical	Potential Impacts to the Business	
Market	• Sudden regulatory changes that led to devaluation of carbon-intensive stocks. • Investor perception: Eco-conscious investors refuse to finance non-climate supporting projects, leading to funding challenges and reduced market valuation for affected companies.		• Abrupt asset price decline: Market adjusts to new climate policies and investors shift towards sustainable investments. • High volatility in securities linked to carbon-intensive industries.	ST MT LT
Operational		• Branches and data centres prone to adverse weather events (e.g. flooding). • Disruption in supply chains.	• Forced closure: Office or branches closure due to damages from climate-related adverse events. • Increased cost for disaster recovery and business continuity planning.	ST MT LT
Liquidity	• HLIB's transitioning to sustainable practices and investment in new technologies may increase operational costs and capital outflow, impacting cash reserves.	• Prolonged drought and other climate related disasters: Affects client's revenue stream.	• Disruption in Bank's cash flows: From clients unable to meet obligations. • Large withdrawal of deposits to finance depositors' expenditures on low-carbon equipment and restoration works. • Liquidity strain due to emergency funding needs.	ST MT LT

SUSTAINABILITY STATEMENT

Climate Risk Drivers				Time Horizon (ST / MT / LT)
Type(s) of Risk	Transition	Physical	Potential Impacts to the Business	
Policy & Legal	• New climate regulations and enhanced reporting obligations. • Legal liabilities: From non-compliance with new environmental laws.		• Increased compliance burden: New stringent reporting and disclosure requirements. • Legal penalties and fines for non-adherence to new environmental laws.	ST MT LT
Technology	• Cost of transitioning to sustainable/green technology to reduce emissions.		• High research and development cost for new technologies. • Stranded assets and write-offs for outdated technologies.	MT LT
Reputational	• Shifts in investors and clients preference towards sustainable products and practices. • Public backlash from perceived greenwashing practices.		• Brand and reputation damage. • Decreased investors and client confidence, resulting in lower revenue and decreased demand for goods and services.	ST MT LT
Strategic	• Inability to transition to green financing solutions.		• Loss of competitive advantage, decreasing market shares and overall profitability.	MT LT
Enterprise-wide	• HLIB fails to incorporate climate risk considerations into the capital adequacy and risk management process.	• Lack of operational resilience to natural disasters or climate events, disrupting HLIB's operation in multiple locations simultaneously.	• Inadequate capital buffer from climate-related risk threatens the financial stability of HLIB, leading to more financial and non-financial losses. • Operational resilience challenged by the need to continuously adapt and recover from severe weather events.	MT LT

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

Once the climate risk drivers were identified, HLIB conducted a materiality assessment on its portfolio and operations. This deepened HLIB's understanding of climate risk transmission and strengthened our ability to identify, mitigate, and manage disruptions by integrating climate considerations into our risk framework.

HLIB's Climate Risk Materiality Assessment on Portfolio	HLIB's Climate Risk Materiality Assessment on Own Operations
Portfolios assessed: • Treasury & Markets ("T&M") • Share Margin Financing • Corporate Banking	Operations assessed: • Branches • Data Centers
Climate Risk Drivers: Transition and physical climate risk drivers across Credit, Market and Liquidity risk	Climate Risk Drivers: Transition and physical climate risk drivers across Operational, Technology, Reputational, Policy & Legal, Strategic and Enterprise-wide risk

Climate risk impacts were found to be generally immaterial across T&M, Share Margin Financing, and Corporate Banking portfolios. Most T&M's exposures from fixed income portfolios are short-term, government-related, or investment-grade financial instruments, making them less sensitive to climate risks. Share Margin Financing carries indirect exposure, fully collateralised by shares and cash. Corporate Banking accounts for less than 1% of HLIB's total assets, further limiting exposure. Operational climate risks were also assessed as immaterial, with reputational risk being the only notable exception.

Our proactive approach to identifying material climate risks supports alignment with regulatory frameworks, including BNM CRMSA requirements and TCFD.

INTEGRATING QUANTITATIVE CLIMATE RISK METRICS

HLCB has made progressive steps and has begun leveraging multiple quantitative and scenario-based tools to construct a comprehensive view of climate risk exposure. In FY2025, we began quantifying Climate Value-at-Risk ("CVaR") for relevant HLIB and HLAM portfolios, which estimates losses under various physical and transition climate risk scenarios, offering a clear view of tail risks to asset values.

Our CVaR metrics are derived from scenario analysis and stress testing using Network for Greening the Financial System ("NGFS") and BNM's Climate Risk Stress Test Methodology ("CRST") document reference scenarios. The climate risk scenarios help us understand how climate change and climate policies might affect the economy over time. They show different possible futures—some where the world acts early to cut emissions, others where action is delayed or minimal. Using these scenarios, we assess how stricter regulations or extreme weather might affect loans, investments, and overall stability.

SUSTAINABILITY STATEMENT

Climate Scenarios	Policy Ambition	Policy Reaction	Technology Change
Net Zero 2050 (Orderly Scenario) Assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	Limit at 1.5°C	Immediate and Smooth	Fast
Divergent Net Zero (Disorderly Scenario) Explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices are typically higher, resulting in heightened volatility and significant portfolio losses. However, they are often considered to have the most severe impacts.	Limit at 1.5°C	Immediate but Divergent	Fast
Nationally Determined Contributions (Hot House World) Assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts.	Approx. 2.5°C	NDCs	Slow

Transition risks, largely influenced by increasing carbon prices and changing policy requirements, are anticipated to affect the credit quality of our non-retail portfolio, especially in emissions-intensive sectors or those with limited decarbonisation options. We have utilised BNM-prescribed shadow carbon prices to evaluate the impact of these risks across various climate scenarios.

The results of these exercises enable preventive or corrective actions to be established. Climate risk is integrated into the Internal Capital Adequacy Assessment Process (“ICAAP”) Stress Testing, with the resulting capital buffer added to HLIB’s Internal Capital Threshold.



HLIB’s Quantitative Climate Risk Appetite

We established a qualitative climate-related Risk Appetite Statement (“RAS”) in July of FY2023 as an initial step towards strengthening our climate risk management. In FY2025, we advanced to a quantitative RAS by setting a threshold based on the resulting CVaR from the scenario analysis conducted. Moving forward, our quantitative RAS will guide more informed decisions in managing, mitigating, transferring and accepting climate-related risks.

Beyond physical and transition climate risk assessment on our portfolios, HLIB has also started its journey towards identifying relevant areas of climate change adaptation by conducting a physical climate risk assessment of its operations. It covered seven key locations in Peninsular Malaysia, including its principal office, main branches, HLeBroking hubs, and data centre. HLIB focused on two critical components:

HLIB’s Methodology for Physical Climate Risk Assessment on Own Operations

Vulnerability assessment against flood hazards based on three different NGFS scenarios

Detailed physical risk assessment guided by the World Wide Fund for Nature physical risk methodologies

The insights from these tools are aligned with our institutional risk appetite framework, ensuring climate risks are addressed within defined tolerance levels. This supports strategic decisions, capital allocation, and portfolio steering toward long-term climate goals. Embedding climate risk into governance and disclosure helps us meet evolving regulations and stakeholder expectations, while building resilience. Please refer to page 53 for the outcome of the physical climate risk assessment.

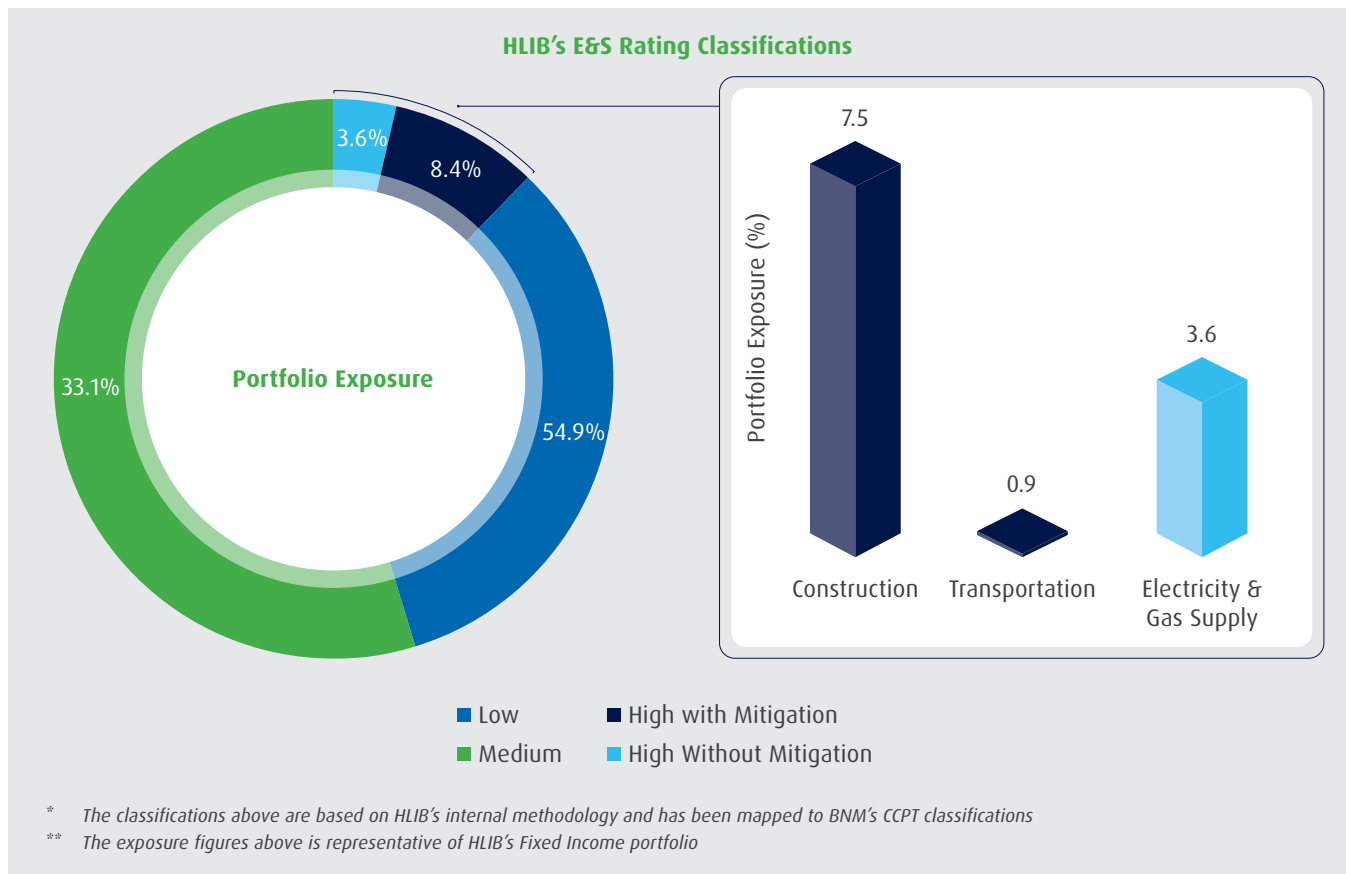
SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

ASSESSING OUR CLIMATE RISK EXPOSURE

As an outcome of our E&S assessment, below is the result of our Fixed Income portfolio exposure to climate risks. For more information on how we conduct our overall E&S assessment, please refer to page 43 of the Our Approach to Sustainability chapter.



Overall, 88% of our portfolio exposure is within the Low to Medium category. In the High with Mitigation category, 7.5% of exposure is in the Construction sector and 0.9% in the Transportation sector. In the High Without Mitigation category, 3.6% is in the Electricity & Gas Supply sector.

Additionally, findings from the physical climate risk assessment conducted by HLIB indicate that its operations have relatively low vulnerability to flood hazards and low overall exposure to climate physical risk. HLIB will continue refining this assessment and methodology to reflect evolving best practices.

SUSTAINABILITY STATEMENT

HLIB's Flood Hazard Vulnerability Assessment					
Categories	Location	Region	Scenarios		
			S0	S1	S2
Principal Office	Hong Leong Tower	Klang Valley	L	L	L
Branches	Plaza Zurich	Klang Valley	L	L	L
	Ipoh	North (Ipoh)	L	L	L
HLeBroking Hubs	Kepong	Klang Valley	L	L	L
	Johor	South (Johor)	L	L	L
	Penang	North (Penang)	M	M	M
Data Centre	Petaling Jaya	Klang Valley	L	L	L

Rating	Distance to Closest Flooded Area
L	>3,000m
M	>500m to 3,000m
H	>10m to 500m
VH	<10m

Variable	S0: Net Zero 2050	S1: Hot House World	S2: Acute
Projection Year	2030	2030	2050
Projection Type	Sea level rise + annual flood	Sea level rise + annual flood	Sea level rise + 250 year flood
Pollution pathway or sea level scenario	Deep and rapid cuts	Current projection	Unchecked pollution
Luck	Medium	Medium	Bad

CLIMATE REPORTING

We conduct internal engagements with our Board, BARMC and SSC members at least once a quarter to inform them about climate risks and opportunities. Led by our Enterprise Sustainability as well as the Climate, Financing and ICR team, these sessions keep the Board and Senior Management updated on climate risk developments.

These engagements aim to facilitate the management and mitigation of climate risks effectively. We also arrange external training for our Board and Senior Management teams. Please refer to page 39 to 40 in Our Approach to Sustainability for a comprehensive list of climate-related training and engagements provided in FY2025.

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

LEVERAGING CLIMATE OPPORTUNITIES

At HLCB, we recognise access to sustainable finance as a pivotal opportunity within our broader climate strategy. The Board and BARMC are the highest governing bodies with oversight on climate-related matters. Our SSC chaired by our GMD/CEO of HLIB is tasked with integrating sustainability into our business including our product portfolio and investments. Our Board, BARMC and SSC members are constantly engaged in climate related matters, including climate related opportunities. For more information, please refer to page 40 of Our Approach to Sustainability for a list of climate opportunities engagements. Our approach across HLIB and HLAM to leverage sustainable finance is built on three core pillars:

How HLCB Facilitates Access to Sustainable Financing



Internal Frameworks and Mechanisms



Sustainable Investments and Products



Sustainability Aligned Services and Engagements

INTERNAL FRAMEWORKS AND MECHANISMS

HLIB facilitates sustainable finance through its Green Bond Framework, aligned with ASEAN Green Bond Standards ("ASEAN GBS") and International Capital Market Association's Green Bond Principles ("ICMA GBP"). The framework guides issuances, with proceeds funding projects that meet set eligibility criteria. Business units screen projects through credit evaluation; the SSC ensures framework compliance. HLIB seeks Environmental Impact Assessment reports when necessary to manage environmental and social risks.



Scan this QR code to access Hong Leong Investment Bank's Green Bond Framework for more details.

HLAM has formalised its Environmental, Social, and Governance Framework ("ESG Framework") within its investment policy since 2021. The ESG framework incorporates ESG considerations into the HLAM's investment philosophy and decision-making processes. This initiative underscores HLAM's commitment to long-term, responsible investing and ensures alignment with both global and local sustainability expectations.

The core tenet of this ESG Framework is HLAM's proprietary ESG assessment model, developed in-house to consistently evaluate sustainability risks and opportunities across various sectors. Aligned with global standards such as SASB and the MCCG, the model enables systematic ESG performance assessment across HLAM's investment universe. HLAM assigns ESG scores and ratings to all covered securities, applying sector-specific weightings to reflect material ESG issues. For example, deforestation and ecosystem impacts are weighted more heavily in the plantation sector, while carbon emissions are more prominent in the chemical sector. The key ESG themes embedded in HLAM's scoring framework include:



**Decarbonisation and
GHG Emissions**



**Resource Management
(Energy and Water Efficiency)**



**Human Capital
(Worker Safety and Well-being)**



**Supply Chain
Responsibility**



**Corporate Governance and
Sustainability Oversight**

SUSTAINABILITY STATEMENT



In FY2025, **49.6%** of HLAM's equity and fixed income assets under management (AUM) have integrated ESG analysis.

Asset Class	Total value (RM'Billions)	Proportion against each asset class AUM (%)
Equity with ESG integration	3.02	75.9
Fixed Income with ESG integration	0.63	18.6

SUSTAINABLE INVESTMENTS AND PRODUCTS

As part of HLCB's ongoing commitment to facilitating sustainable finance, we progressively improve and expand our scope of sustainable investments and products. HLIB's Green Subordinated Notes Programme ("Green Sub Notes") aims to raise capital specifically for sustainable development in Malaysia. Through the structuring and underwriting of these Green Sub Notes, HLIB channels capital towards environmentally beneficial projects under the HLIB Green Bond Framework. This supports our climate-conscious portfolio strategy and the transition to a resilient, sustainable economy.

Use of Proceeds of HLIB's Green Sub Notes

RM100 million
Allocated Proceeds

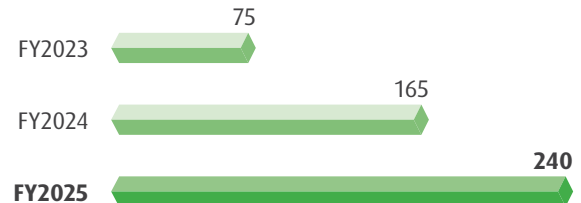
100%
Utilisation Rate which Funds Green and Sustainable Projects

The Green Sub Notes programme is strategically linked to HLIB's T&M division's investments in bonds that are classified as green, reinforcing our sustainable finance commitment. The proceeds from the Green Sub Notes are used to expand T&M's investments in green bonds. These investments must meet the HLIB Green Bond Framework's use-of-proceeds criteria and be approved by the SSC. By funding sustainable development projects, HLIB supports a low-carbon economy and aligns capital raising with sustainable investment. In FY2025, HLIB's investments classified as green bonds increased by 45% from FY2024 to RM240 million, with 100% of the RM100 million allocated proceeds Green Sub Notes fully utilised.

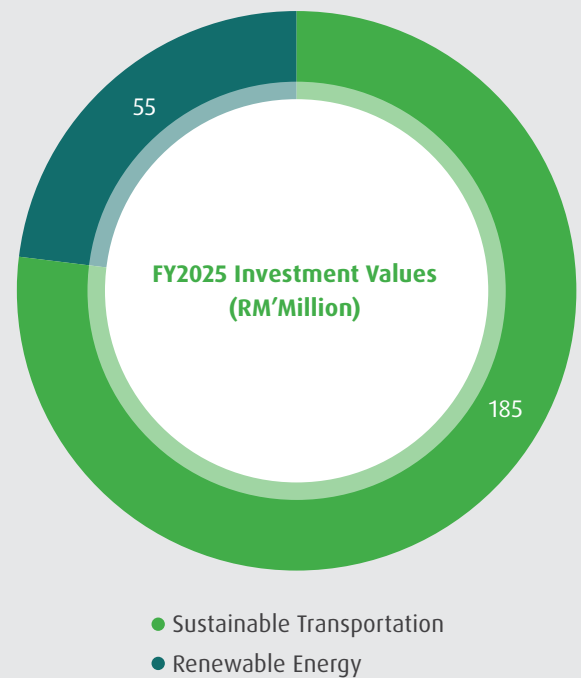


45% increase to RM240 million in investments classified as green bonds in FY2025.

Investments Classified as Green Bonds (RM'Million)



Sectoral Breakdown of T&M's Investments Classified as Green Bonds



Additionally, HLIB has taken a pioneering step in facilitating sustainable finance by launching the ESG Share Margin Financing ("ESG SMF") product in FY2025. This offering enables clients to invest in ESG-compliant securities on the FTSE4Good Bursa Malaysia Index with favourable financing terms, including low interest rates and higher margins. This product promotes environmentally and socially responsible investing and positions HLIB as one of the first investment banks in Malaysia to actively drive sustainable financial growth via a ESG-themed share margin financing product.

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

Promising Growth in Our Newly Launched ESG SMF

Recorded an average monthly increase of **224%*** in cumulative facility limit approved

Total cumulative facility limit approval of **RM5.6 million**** aimed at providing financing for sustainable companies

* Average monthly cumulative facility limit increase between April to June 2025

** Cumulative facility limit approved between April to June 2025

As for HLAM, sustainable investment offerings, inclusive of two ESG-focused funds, have been introduced: the Hong Leong Global ESG Fund ("HLGESGF") and the Hong Leong Global Shariah ESG Fund ("HLGSESGF"). HLGESGF aims for medium to long-term capital growth by investing in a globally diversified portfolio meeting stringent ESG criteria, utilising MSCI ESG Ratings to assess significant ESG risks and opportunities. HLGSESGF adopts a different set of ESG methodology. This fund will invest in Shariah-component stocks of S&P Global 1200 ESG Shariah Index. These funds reflect HLAM's commitment to ESG integration, offering investors financial growth while supporting sustainable, ethical development. In FY2025 the combined AUM of both funds rose by 28%.

	FY2023	FY2024	FY2025
ESG Fund AUM (RM'Million)	3.6	9.1	11.0
Shariah ESG Fund AUM (RM'Million)	0.2	0.5	1.3



The combined AUM for both HLAM's ESG funds increased by **28%** in FY2025.

SUSTAINABILITY ALIGNED SERVICES AND ENGAGEMENTS

HLCB actively extends its commitment to facilitate sustainable finance through a variety of aligned services and engagements that are designed to deepen our impact, create long-term value for our clients, and foster a broader awareness of sustainable investing. Through tailored ESG mandates, advisory, research, and stakeholder engagement, HLCB drives meaningful change and supports the shift to a sustainable economy.

HLIB's Debt Markets team plays a crucial role in advancing sustainable finance by providing advisory services to clients on structuring and issuing sustainability-related debt instruments. This includes sustainability-linked bonds and sukuk aligned with the ASEAN GBS and ICMA GBP. Our end-to-end guidance helps clients access capital markets while meeting ESG commitments. These efforts mobilise funding for impactful projects while supporting broader transition towards a low-carbon and inclusive economy. In FY2025, HLIB advised on sustainability and green bond issuances amounting to RM1,071 million. These transactions underscore HLIB's continued commitment towards sustainable finance, supporting clients across diverse sectors in accessing ESG-aligned capital.

	FY2024	FY2025
Total sustainability and/or green bonds issuance (RM'Million)	1,780	1,071

SUSTAINABILITY STATEMENT

Transactions	Issuer	HLIB's Role	Use of proceeds
RM400 million rated sustainability linked MTN, the first sustainability linked bond advised by HLIB	SUNREIT Bond Berhad	Joint Principal Adviser, Joint Lead Arranger and Joint Lead Manager	Sustainable fund raising for Sunway REIT's sustainability initiatives for its property portfolio.
RM500 million Green Senior MTN	Hong Leong Bank Berhad	Principal Adviser, Lead Arranger, Lead Manager and Facility Agent	For purposes that meet the criteria as set out in the HLB Green Bond Framework.
RM10 million ICP under a RM500 million Multicurrency ICP Programme	Samaiden Group Berhad	Principal Adviser, Lead Arranger, Lead Manager and Facility Agent	To fund Samaiden Group Berhad's working capital requirements in new or existing Eligible Projects as set out in the Samaiden Sustainability Sukuk Framework dated 4 July 2024.
RM3 million IMTN under a RM1 billion Multicurrency IMTN Programme			
RM100 million IMTN under a RM1 billion Multicurrency IMTN Programme			
RM18 million MTN under a RM500 million ASEAN Green MTN Programme	Exio Logistics Sdn Bhd	Principal Adviser, Lead Arranger, Lead Manager and Facility Agent	To part-finance or reimburse up to 90% of the construction cost for two green logistic hubs to be built on Elmina Land, including all consultancy fees and expenses. To part finance or reimburse up to 90% of the setup costs for the procurement, installation, and commissioning of the Automated Storage and Retrieval System for the green logistic hubs.
RM40 million MTN under a RM500 million ASEAN Green MTN Programme			

We are cognisant that growth in sustainable investing can help facilitate sustainable finance and that investor and stakeholder awareness of its principles is key for the growth of sustainable investing. We strive to educate stakeholders on ESG perspectives in their investment decisions. HLIB's research teams produce ESG snapshots that help raise awareness and knowledge of sustainable investing.

	FY2024	FY2025
FBM KLCI Companies under Coverage with HLIB's Research ESG Snapshot (%)	96	89

Additionally, our HLAM research team produces proprietary reports with ESG elements for internal use to support fund managers. Since the ESG research forms part of HLAM's investment decision, it is kept in house to ensure alignment with our fiduciary duty. HLAM's research teams are entrusted with identifying relevant ESG issues of the companies or industries under coverage, keeping track of emerging ESG trends, and determining the significance of these issues to the company's valuations and financial performances.

Beyond sustainability-linked services, we believe meaningful engagement is key to driving awareness and growth in sustainable investing. HLIB's Stockbroking actively engages with corporate and institutional clients through a wide range of sustainability-focused initiatives. A total of 337 institutional engagements were carried out in FY2025.

SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

Sustainability Engagements with Corporate and Institutional Clients

Teach-Ins

Interactive educational sessions tailored for institutional clients, focusing on sector-specific or company-specific insights. These are conducted virtually or physically and involve detailed presentations by research analysts. **39 sessions** were conducted across sectors including Oil & Gas, Banking, Healthcare and Telecommunication with **1 ESG-focused session**.

Market & Thematic Presentations

Broad-based presentations that provide macroeconomic outlooks, sectoral trends, and thematic insights. These include Market Outlook Presentations ("MOP") and webinars on topics like ESG, Carbon Capture, Utilisation and Storage ("CCUS"), and human rights. **89 sessions** were conducted in total including **1 ESG and sustainability-themed presentation**.

Client-Specific Engagements

Highly customised interactions including private requests, corporate access meetings, and conference calls. **209 sessions** including **3 ESG focused engagements** were conducted. These engagements are tailored to individual client needs and often involve direct communication or site visits.

Additionally, HLIB's Client Coverage team engages with existing and potential corporate clients containing sustainability elements including sustainability-linked financing via green and climate pitches on Green Bonds/Sukuk, and Sustainability-Linked Bonds/Sukuk. These pitches encourage corporations to set sustainability targets and use proceeds for green initiatives.

In FY2025, the Client Coverage team conducted 28 of these pitches. This marked an increase of more than 4 times compared to 6 pitches in FY2024.



HLIB's Client Coverage team increased sustainability-linked pitches by **more than 4 times** in FY2025 compared to FY2024.



MANAGING OUR ENVIRONMENTAL FOOTPRINT

WHY IT MATTERS

Effectively managing our environmental footprint is a critical component of our commitment to responsible and sustainable business practices. Beyond compliance and stakeholder expectations, it reflects our duty to protect natural resources and support global climate goals. As a financial institution, we recognise that our environmental impact encompasses both our operational activities and the outcomes of our financing decisions. Accordingly, we implement structured, data-driven initiatives to reduce emissions, optimise resources, and promote long-term environmental stewardship across the Group.

OUR APPROACH AND PERFORMANCE

HLCB remains committed to mitigating the risk of global warming and addressing the broader environmental impacts caused by climate change. We continue strengthening internal environmental and climate governance and monitoring. Our efforts in mitigating our climate impact cuts across three key areas. In FY2025, we took an important step forward by quantifying and disclosing our financed emissions, which forms the most material scope of GHG emissions.

SUSTAINABILITY STATEMENT

Our Approach to Managing our Environmental Footprint



Monitoring our Financed Emissions



Monitoring our Operational GHG Emissions



Monitoring our Environmental Footprint

HLCB's Scope 3 GHG Materiality Assessment

In FY2025, we conducted a GHG materiality assessment to identify which Scope 3 categories, aside from Category 6 (business travel) and Category 7 (employee commuting), are most material to HLCB as a business. As an outcome, we have identified Category 15 (investments), Category 3 (fuel-

and energy-related activities not included in Scope 2) and Category 1 (purchased goods and services) as material for the Bank. We have taken a step forward in disclosing our Category 15 emissions. We are cognisant of the data gaps present and internal upskilling needed to begin quantifying Category 3 and Category 1 emissions. Despite this, we seek to progressively begin quantifying these emissions.

We are mindful of the potential need for carbon credits to offset our residual emissions towards achieving our climate goals. HLCB currently has not purchased any carbon credits but will further conduct studies to assess the scope of carbon credits needed. Additionally as of FY2025, HLCB has not yet implemented an internal carbon pricing mechanism but is actively observing developments in Malaysia's carbon pricing environment. We plan to establish a robust methodology for future internal carbon pricing if needed, to guide operational and investment decisions.

MONITORING OUR FINANCED EMISSIONS

FY2025 marks HLCB's first year of disclosing financed emissions, quantified using the PCAF methodology for Scope 3 investment-related emissions. We began quantifying our financed emissions for our corporate bonds portfolio.

PCAF Asset Class	Financed Emissions (tCO ₂ e)			PCAF Average Data Quality Score
	Scope 1	Scope 2	Scope 3	
Corporate Bonds	61,890.9		10,152.3	3.3

In FY2025, 76% of financed emissions from our corporate bond portfolio were generated by our investments in the Energy and Utilities sector. As an added quantum of monitoring our financed emissions, we also compute the emissions intensity per our investment value per each sector.

HLCB Corporate Bonds Financed Emissions Sectoral Breakdown					
Sectoral Breakdown	Outstanding Amount (RM)	Scope 1 & 2		Scope 3	
		Financed Emissions Scope (tCO ₂ e)	Emissions Intensity (tCO ₂ e/RM mil)	Financed Emissions Scope (tCO ₂ e)	Emissions Intensity (tCO ₂ e/RM mil)
Communications Services	40,000,000	351.0	8.8	0.0	0.00
Consumer Discretionary	10,000,000	3.7	0.4	1.9	0.2
Consumer Staples	38,097,000	1,090.1	28.6	6,149.0	161.4
Energy And Utilities	266,156,730	54,212.1	203.7	546.1	2.1
Financial	185,000,000	67.3	0.3	31.4	0.2
Public Administration	65,000,000	0.0	0.0	0.1	0.0
Real Estate	35,000,000	130.6	3.7	231.9	6.6
Transportation And Storage	130,000,000	6,036.1	46.4	3,192.0	24.6
Total	769,253,730	61,890.9	80.5*	10,152.3	13.2*

* Figures calculated based on total financed emissions divided by total outstanding amount

Moving forward, we will work towards identifying and disclosing financed emissions across more relevant asset classes under HLCB's portfolio. Despite limited public GHG data, we aim to improve data quality scores and proxy selection methodology.

SUSTAINABILITY STATEMENT

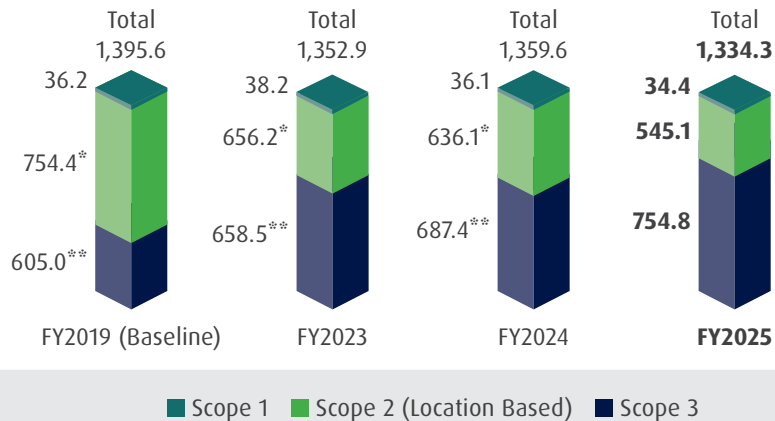


ADDRESSING CLIMATE CHANGE

MONITORING OUR OPERATIONAL GHG EMISSIONS

We actively measure and manage GHG emissions across both our operational activities in addition to our investment portfolios. We track Scope 1, Scope 2, and relevant Scope 3 operational emissions using an in-house system. This helps monitor environmental impact and identify reduction opportunities.

HLCB's Consolidated Operational GHG Emissions (tCO₂e)



* Restatement of data due to updates in Malaysia's grid emissions factor

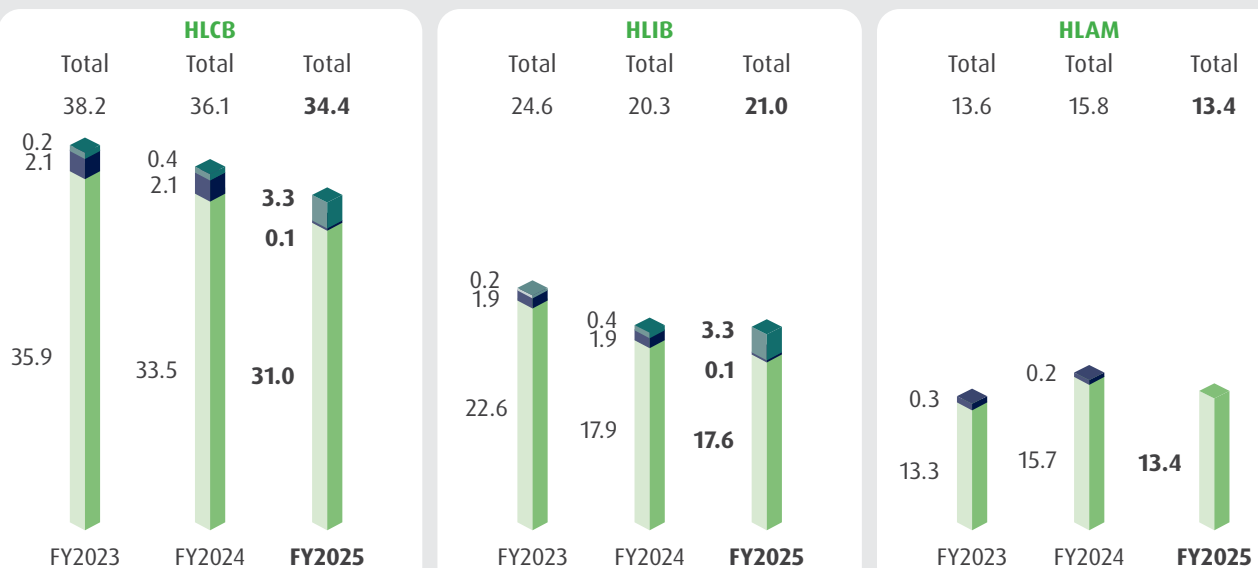
** Restatement due to refinement in emissions factors for Scope 3 - Business Travel

We track our GHG emissions using the GHG Protocol's Operational Control approach. In FY2025, our combined Scope 1 and Scope 2 absolute emissions were reduced by 26.7% against our FY2019 baseline, thus enabling us to achieve our mid-term target of reducing absolute Scope 1 and 2 emissions by 15% to 25% by FY2026. However, Scope 3 emissions rose by 24.8% from our FY2019 baseline and 9.8% from FY2024. Further trend analysis of our operational GHG emissions performance is provided in the following sections.



Recorded approximately **27% reduction** in our combined absolute Scope 1 and Scope 2 emissions in FY2025 compared to our FY2019 baseline, enabling us to be within our mid-term target of 15% to 25% reduction by FY2026.

HLCB's Scope 1 Emissions (tCO₂e)

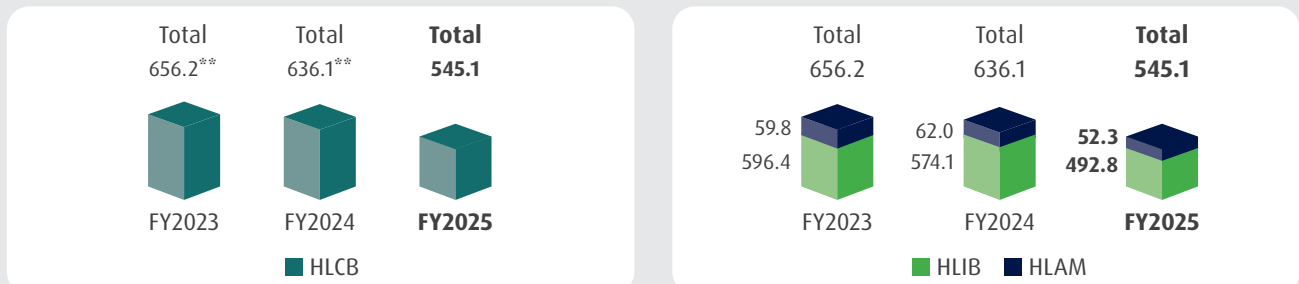


Note:

- We calculate our emissions based on fuel combustion in generators located in Malaysia, vehicles owned or operated by the HLCB in Malaysia, as well as air-conditioning systems in our offices in Malaysia.
- Due to rounding of the figures above, the summation of HLIB and HLAM may be marginally different from HLCB

SUSTAINABILITY STATEMENT

In FY2025, HLCB combined Scope 1 emissions recorded a 4.7% decrease compared to FY2024. HLIB's Scope 1 emissions increased by 3.4% whereas HLAM's reduced by 15.6%. Scope 1 emissions were generated predominantly by fuel consumption of our company vehicles which reduced in FY2025 due to reduced business travel.

HLCB's Scope 2 Emissions (Location Based) (tCO₂e)*

* Boundary of data includes purchased electricity for all our operations using the Location Based method that factors in Malaysia's grid emissions factor. For a list of our operations that purchases electricity, please refer to the footnotes in the Annual Purchased Electricity table below

** Restatement of data due to updates in Malaysia's grid emissions factor

Scope 2 emissions have consistently declined from FY2023 to FY2025. HLCB's Scope 2 emissions decreased by 14.3% from FY2024 to FY2025. Similarly, HLIB saw its Scope 2 emissions reduced by 14.2% from FY2024 to FY2025. HLAM's emissions decreased by 15.6% from FY2024 to FY2025. This reduction is attributable to two initiatives which are:

Scope 2
Reduction
Initiatives

Replacing light bulbs with energy efficient ones in Hong Leong Tower and Plaza Zurich.



Lights Off Initiative to encourage employees to proactively turn off lights when not in use.

HLCB's Scope 3 Emissions (tCO₂e)*

Entity	Scope 3 Category	FY2023	FY2024	FY2025
HLCB	Category 6 - Business Travel	97.0	93.9	94.9
	Category 7 - Employee Commuting	561.5	593.6	659.8
	Grand Total	658.5***	687.4***	754.8
HLIB	Category 6 - Business Travel	58.8	46.6	48.1
	Category 7 - Employee Commuting	561.5	593.6	485.4
	Total	620.3	640.1	533.4
HLAM	Category 6 - Business Travel	38.2	47.3	46.9
	Category 7 - Employee Commuting	N.A.**	N.A.**	174.5
	Total	38.2	47.3	221.3

Note:

1. Due to rounding of the figures above, the summation of figures above may have marginal differences. For reporting consistency purposes, the summation of figures above match the consolidated figures in the HLCB's Consolidated Operational GHG Emissions table

* Boundary of data includes business travel via employee claims, covering travel by road, flight, and train across Malaysia. The figure presented also includes emissions from employee commuting across Malaysia

** Historical detailed breakdown unavailable because survey has not separated by HLCB's entities

*** Restatement due to refinement in emissions factors for Scope 3 - Business Travel

In FY2025, HLCB's total Scope 3 emissions increased by 9.8% compared to FY2024. HLIB recorded a significant 16.7% drop in Scope 3 emissions from FY2024 to FY2025. HLAM recorded a Scope 3 emissions of 221.3 tCO₂e. However, an accurate comparison against FY2024 cannot be made since we only began quantifying employee commuting emissions with greater details as a result of developing our in house GHG tracker in FY2025. Moving forward, we will be able to provide a trend analysis for HLAM as well.

SUSTAINABILITY STATEMENT

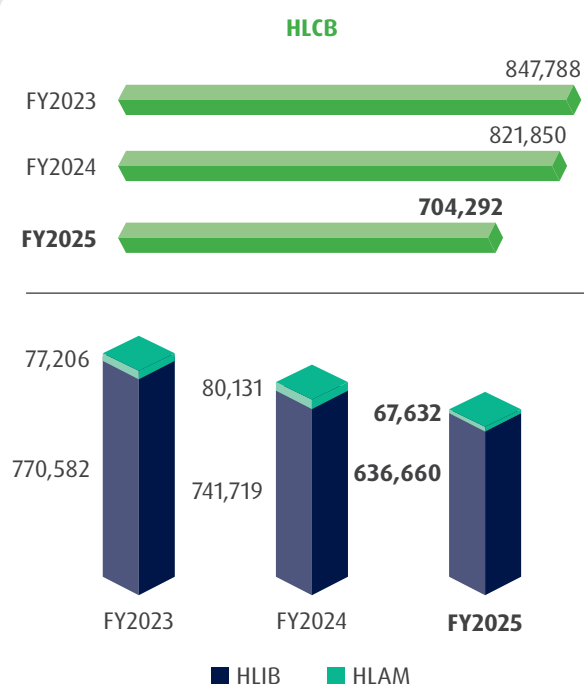


ADDRESSING CLIMATE CHANGE

MONITORING OUR ENVIRONMENTAL FOOTPRINT

HLCB remains committed to reducing and optimising energy and resource consumption across the Group. Key strategies include optimising the use of air-conditioning and lighting systems, upgrading to energy-efficient equipment, and leveraging our in-house environmental tracking tool to monitor electricity usage across facilities. We also promote behavioural change through awareness campaigns and pilot initiatives that encourage responsible energy use among employees. These efforts are aligned with our broader goal of reducing Scope 2 emissions and improving energy performance annually.

HLCB's Purchased Electricity Consumption (kWh)

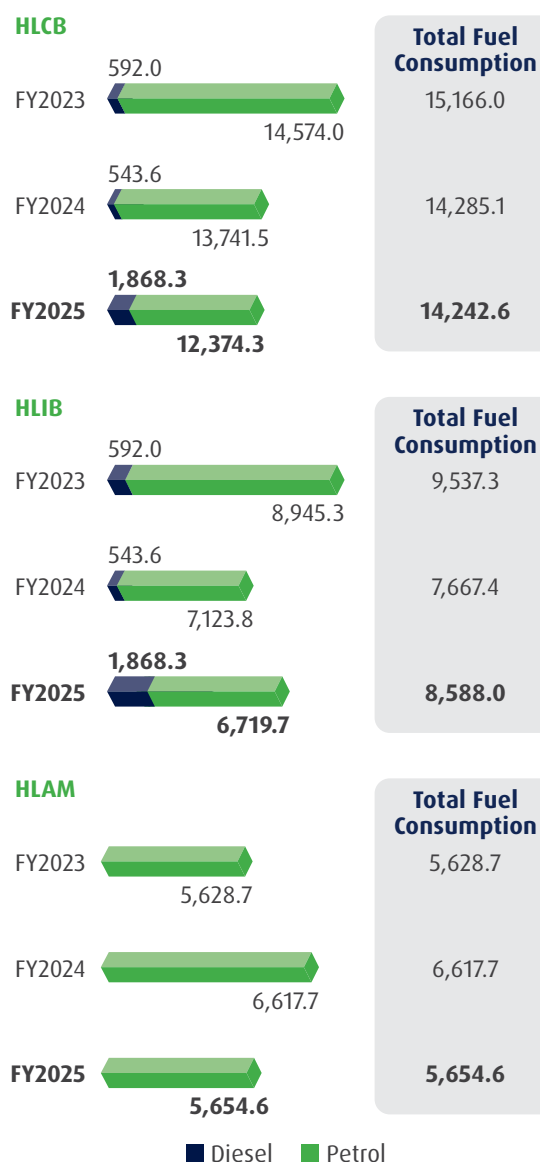


Note:

- Boundary of purchased electricity data includes Hong Leong Tower, Plaza Zurich, Menara HLX, and our branches in Perak, Johor and Pulau Pinang

In FY2025, HLCB demonstrated an improvement in electricity consumption, recording a 14.3% decrease in annual purchased electricity compared to FY2024. HLIB achieved a 14.2% reduction in FY2025, while HLAM also saw a 15.6% decrease. The reduction in energy consumption is attributable to efforts in transitioning to LED lightbulbs and initiating our Lights Off Initiative to encourage employees to turn off their lights when not in use.

Fuel consumption (litres)

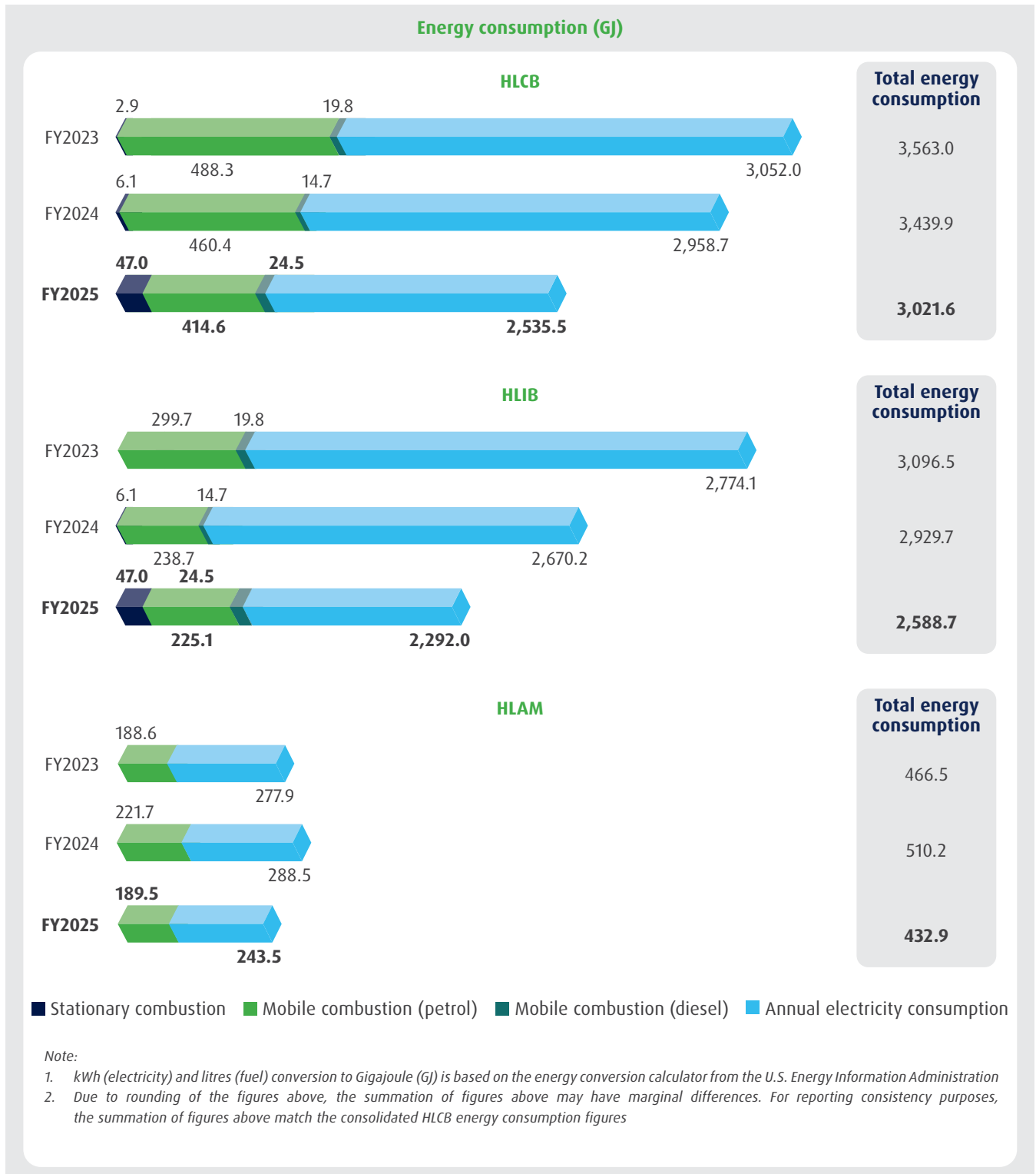


Note:

- Boundary of fuel data includes genset input in Hong Leong Tower, Plaza Zurich, Menara HLX, Perak Branch as well as HLIB's and HLAM's petrol and diesel consumption for company vehicles

SUSTAINABILITY STATEMENT

In FY2025, HLCB's total fuel consumption saw a marginal decrease of 0.3% compared to FY2024. HLIB recorded a 12.0% increase in its total fuel consumption, while HLAM achieved a 14.6% reduction in its fuel consumption. The variation in fuel consumption was primarily driven by fluctuating use of our company vehicles for business purposes and the filling of our gensets.



SUSTAINABILITY STATEMENT



ADDRESSING CLIMATE CHANGE

In FY2025, HLCB recorded a 12.2% reduction in total energy consumption compared to FY2024. HLIB and HLAM reduced their energy consumption by 11.6% and 15.1% in FY2025, respectively. The reduction in total energy consumption is a culmination of achievements in reducing electricity consumption and fuel usage.



MANAGING WATER CONSUMPTION

As part of our continued dedication to sustainable business practices, we remain focused on responsible water management. We understand the importance of reducing water consumption while maintaining safety, comfort, and efficiency across operations. Our water management strategy includes promoting efficient water use and monitoring consumption where separate water meters are available.

Total water consumption (L)			
Entity	FY2023	FY2024	FY2025
HLCB	1,763.0	1,182.0*	1,761.0
HLIB	1,650.0	1,092.0	1,470.0**
HLAM	113.0	90.0	291.0**

Note:

- Boundary of water data includes HLIB and HLAM operations across Hong Leong Tower, Plaza Zurich and our HLIB Ipoh and HLAM Johor branches
- * Restatement of data due to revision in historical water consumption figures
- ** Increase in consumption due to boundary expansion to now include HLIB's operations in Hong Leong Tower and HLAM's branch in Johor

In FY2025, HLCB's total water consumption increased by 49.0% compared to FY2024. HLIB's water consumption also increased by 34.6% in FY2025, while HLAM experienced an increase of more than threefold for the same period. As HLCB's combined operational footprint is small, our total water consumption figures are relatively smaller based on financial industry standards in Malaysia. The increased consumption for HLCB was due to an expansion of our data boundary to include data in Hong Leong Tower and our HLAM branch in Johor. Prior to FY2025 our water data boundary was limited to our HLIB Ipoh branch only. We also experienced a pipe leak in our HLIB Ipoh branch which also caused an increase in water consumption. Moving forward, we will focus our efforts in educating our employees on reducing water consumption.

WASTE MANAGEMENT

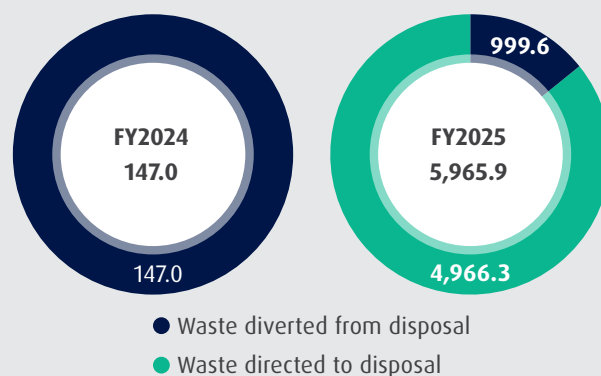
We continue to strengthen our approach to waste management by focusing on operational improvements. Our efforts are aimed at enhancing waste segregation, improving data accuracy, and laying the groundwork for more responsible waste handling practices.

In FY2025, we made significant strides in improving our waste management practices across our operations. A key milestone was the installation of dedicated recycling bins throughout our offices at Hong Leong Tower and Plaza Zurich, enabling more effective segregation of recyclable materials. We also began working closely with our existing waste service provider to capture more accurate data by weighing our actual waste output. This has enhanced our ability to monitor waste generation, divert up to 16.8% of our total waste generated in FY2025 and identify opportunities for improvement.

FY2025 Waste Diverted by Type of Waste (kg)



FY2025 Total Waste Generated (kg)



* Boundary of data includes Hong Leong Tower and Plaza Zurich

** In FY2025, we have made operational changes to track waste more comprehensively, hence the increase compared to FY2024

SUSTAINABILITY STATEMENT

To further strengthen our waste tracking capabilities, we integrated waste data collection into our in-house environmental tracker. This allows for more comprehensive analysis and supports our ongoing efforts to reduce waste sent to landfill. We are also in the midst of refining our internal process to ensure more accurate tracking of paper consumption. Once the necessary protocols are established, we will be able to report more accurate data points on paper consumption.

Looking ahead to FY2026, we plan to appoint a new recycling service provider who will offer more granular data on waste diverted from landfill and support employee education through recycling awareness talks. These initiatives reflect our commitment to building a more responsible and data-driven approach to waste management.



IMPACTFUL DIGITALISATION



HLCB drives impactful digitalisation to transform its business and create value. Our approach centres on several key dimensions: enhancing operational efficiency through digitalisation, improving client experience to build trust and loyalty, and ensuring strong data privacy and cybersecurity to maintain compliance and client confidence in an increasingly digital environment.

DIGITALISATION AND INNOVATION

WHY IT MATTERS

In today's dynamic financial landscape, our focus on digitalisation and innovation strengthens our ability to meet evolving client needs and drive long-term growth. By streamlining processes through digitalisation and enhancing digital access, we improve efficiency, adaptability and can better meet evolving client needs. This proactive strategy ensures resilience and sustainable success.

OUR APPROACH AND PERFORMANCE

ROBUST IT INFRASTRUCTURE

A robust IT infrastructure is key to enhancing productivity and resilience in the rapidly evolving digital financial services landscape.

HLIB's Stockbroking division successfully implemented key digital infrastructure initiatives to enhance operational efficiency and client experience. The digitalisation of Central Depository System ("CDS") forms enabled seamless digital submission to Bursa Malaysia, significantly reducing paper use.

ACCESSIBILITY VIA DIVERSE DIGITAL SERVICES

HLCB's development and continuous enhancements of diverse digital platforms reflects our commitment to meeting varied customer needs, providing a seamless experience to enhance user experience, and improve service accessibility.

In FY2025, HLIB introduced the new HLeFutures digital platform to provide its customers and Malaysians with more investing options and access to a wider range of digital solutions. HLIB also introduced several new features to our HLeBroking mobile app to enhance security and overall user experience.

SUSTAINABILITY STATEMENT



IMPACTFUL DIGITALISATION

HLIB's Key Digital Platforms

HL Broking

HLeBroking

An online equities trading platform that provides secure access to Bursa Malaysia and selected global markets.

HL Futures

NEW

HLeFutures

A secure digital platform for derivatives trading that has been upgraded to a new platform in FY2025.

User-friendly digital onboarding, real-time market data, and integrated research tools that make investing simpler, faster, and more informed — enabling more Malaysians to participate in capital markets.

Value Add for Stakeholders

Empowers clients to manage financial risks and diversify their portfolios efficiently, while promoting responsible trading with educational resources and transparent market access.

Introduced trading access in the Tokyo Stock Exchange ("TSE") in FY2025.

Key Features and Upgrades

Offers access to the Hong Kong Exchanges and Clearing Limited ("HKEX") futures.

Recorded **more than 2 million transactions**, 61% via mobile and 39% via internet.

FY2025 Key Performance

All of our transactions are **fully digital**, with 69% via mobile and 31% via internet.

HLeBroking Mobile App Enhancements



Biometric PIN Trade Confirmation

Secure and convenient biometric authentication for trade confirmations, as an alternative to traditional passwords.



Universal Search Functionality

A search button is now accessible from any screen, enabling faster navigation and information retrieval.



Live Clock Integration

Real-time market activity tracking through a live clock feature.



Additional Functional Improvements

Includes a refresh button, enhanced trade screen interface, and support for stop-limit orders.

SUSTAINABILITY STATEMENT

As for HLAM, key digital offerings include the HLAM iSmart Invest platform for clients and customers and the HLAM Agency System for our unit trust and private retirement scheme agents. In FY2025, HLAM recorded positive growth for both these platforms.

HLAM's Key Digital Platforms



HLAM iSmart Invest

Portfolio management platform to make investing simple, accessible, and professional for clients.



Performance. Resources. Online.

HLAM Agency System

Introduced to empower our agency force with faster, more efficient client onboarding, real-time transaction processing, and instant portfolio access.

Customised discretionary portfolio management aligned to individual goals and risk appetites, clients benefit from professional investment expertise — without the complexity or need for active management.

Value Add for Stakeholders

Enhances agents' productivity by providing seamless access to sales tools, compliance support, and performance tracking — enabling them to build stronger, more trusted relationships with clients and grow their businesses sustainably.

17% growth in cumulative number of users and **12%** increase in number of online retail transactions.

FY2025 Key Performance

89% increase in cumulative number of agents registered on the platform.

The Group also remains committed to enhancing customer experience and operational efficiency through comprehensive digital onboarding across our platforms. This approach reduces the need for in-person interactions, offering customers time-saving remote access and catering to varied schedules and locations. By streamlining processes and minimising paperwork, our digital onboarding delivers a faster, more seamless experience with real-time updates, driving higher customer satisfaction and engagement.

In FY2025, HLIB expanded digital onboarding to include the Shariah Trading Account, enabling digital access and trading of Shariah-compliant stocks. Additionally, the innovative Flexi-Trade product allows customers to leverage cash and existing shareholdings as collateral for increased trading capacity and reduced brokerage fees.

HLAM's Client Onboarding System introduced in FY2024 simplifies submissions and document management to enhance customer

experience and operational productivity. Additionally, the HLAM Agency System also provides digital onboarding for new Unit Trust and Private Retirement Scheme consultants ("UTC/PRC"). In FY2025, HLAM digitally onboarded 37 new agents via the Agency system.

We achieved promising digital onboarding rates across the Group in FY2025. HLIB recorded a digital onboarding rate of about 38% through HLeBroking and remisiers. Via this digital onboarding, HLIB was able to cut down paper usage by 106kg. As for HLAM, the entity recorded a 36% digital onboarding rate via the HL iSmart Invest app.

Improving Resource Efficiency via Digitalisation



HLIB's Stockbroking team reduced paper usage by **106kg** in FY2025 via its digital onboarding solutions.

SUSTAINABILITY STATEMENT



IMPACTFUL DIGITALISATION



CLIENT EXPERIENCE

WHY IT MATTERS

Exceptional client experience is key to our long-term success. Through meaningful engagement, we build trust, foster loyalty, and drive sustainable growth by enhancing satisfaction and retention. Our approach is multi-faceted and extends beyond digital solutions to include a range of initiatives that ensure a seamless and holistic client journey.

OUR APPROACH AND PERFORMANCE

MEANINGFUL CLIENT ENGAGEMENTS

The Group prioritises meaningful engagement with its retail, corporate and institutional clients, recognising their role in fostering awareness, interest, and growth in sustainable investing.

In FY2025, HLIB conducted 337 institutional engagements, providing robust client support and cultivating trust. Further details on our specific sustainability-related engagements are available on page 58 of the Addressing Climate Change chapter.

HLIB's Diverse Engagements with our Clients

Teach-Ins

Interactive educational sessions for institutional clients, focusing on sector-specific or company-specific insights.

Market & Thematic Presentations

Broad-based presentations that provide macroeconomic outlooks, sectoral trends, and thematic insights.

Client-Specific Engagements

Highly tailored interactions, such as private requests, corporate access meetings, and conference calls.

HLIB's retail customer engagements focus on expanding financial literacy and promoting access to its digital investment products. These efforts support greater financial inclusion by encouraging more Malaysians to participate in investment activities. Further details are available on page 84 of the Engaging on Sustainability chapter.

SUSTAINABILITY STATEMENT

Additionally, HLAM conducts year-round campaigns to engage investors, strengthen brand visibility, and encourage investment via EPF i-Invest and HL iSmart Invest. In FY2025, these initiatives targeted both new and existing investors, with a focus on promoting retirement-focused products and rewarding customer loyalty.

HLAM's Key Engagement via Campaigns	
Campaign	Value for Stakeholders
Private Retirement Scheme Investment Awareness Campaign 2.0	Incentivising long-term voluntary retirement savings
30th Anniversary Campaign	Celebrate HLAM's 30th anniversary while encouraging investments
Merdeka & Malaysia Campaign	Promote national pride and investment growth
FUNDtastic 2024 Campaign	Campaign to encourage more investments
Hong Leong Dana Dividen Campaign	To promote investments in Shariah-compliant equities and/or Shariah-compliant equity-related securities
Hello, New Investors 2025 Campaign	Encouraging more Malaysians to begin investing
Huat 88! CNY 2025 Campaign	Providing rewards for customers who increase their participation in fund investments
Bijak Beraya Raya 2025 Campaign	

IMPROVING CLIENT SERVICE VIA TRAINING

To enhance client service delivery, HLAM invests in ongoing training for its agency force. In FY2025, HLAM conducted 65 training programmes for 2,415 participants, empowering them with the tools, insights, and capabilities needed to meet evolving client needs. The yearlong training courses included the following:

Key UTC/PRC Agent Training Themes		
Induction Training	PRS Familiarisation	Market Outlook
AML [*] & Cybersecurity	HLAM Campaign Updates	Building Confidence in Sales

* Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities

SUSTAINABILITY STATEMENT



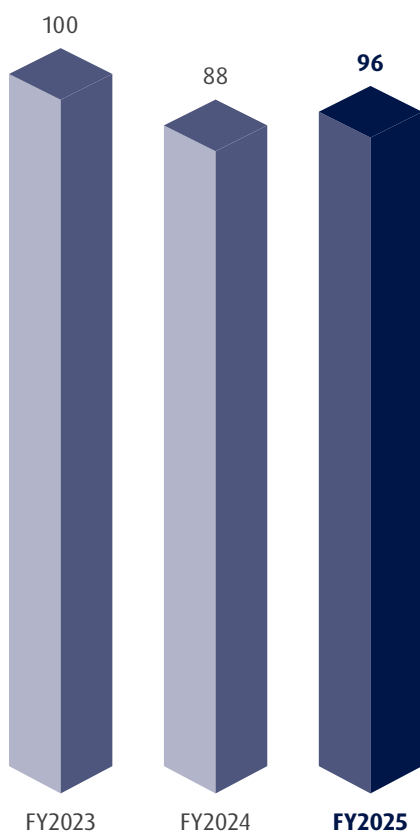
IMPACTFUL DIGITALISATION

MANAGING CUSTOMER COMPLAINTS

We prioritise the effective management of customer complaints to ensure satisfaction and service quality. In FY2025, HLCB saw an increase in complaints compared to FY2024. This was due to a rise in complaints at HLIB. The increase in HLIB complaints were primarily from channel related issues, which were proactively addressed through mobile app enhancements. HLAM maintained a low and stable complaint volume across FY2023 to FY2025. We managed to achieve a 96% complaint resolution rate.

No. of Complaints Received (number)			
Entity	FY2023	FY2024	FY2025
HLIB	36	34	53
HLAM	2	3	2
HLCB (Total)	38	37	55

HLCB*
Complaint Resolution Rate (%)



* Data includes and average of HLIB and HLAM complaint resolution rates



PRIVACY, DATA PROTECTION & CYBERSECURITY

WHY IT MATTERS

We recognise the increasing reliance on digital trading and prioritise strong cybersecurity to protect client data, maintain privacy, ensure regulatory compliance, and foster trust.

OUR APPROACH AND PERFORMANCE

Our policies to govern IT and Personal Data Protection is fundamental to ensuring robust data privacy and cybersecurity. We rigorously adhere to statutory and regulatory requirements, including those set out in the Financial Services Act 2013 ("FSA"), Capital Markets and Services Act 2007 ("CMSA"), Personal Data Protection Act 2010 ("PDPA"), as well as guidelines and policy documents issued by BNM, Securities Commission Malaysia, and Bursa Malaysia. Regular compliance assessments and security audits are conducted to identify and address potential vulnerabilities, ensuring the continuous security of our digital systems and the confidentiality of our clients' information.

We proactively enhance our cyber defences through continuous assessments and exercises, often in collaboration with regulators, to improve incident response and recovery capabilities. The IT department has instituted various measures to mitigate cybersecurity risks, encompassing risk identification, threat detection, and timely response to cyber threats. Furthermore, all our operating entities conduct structured training programmes to elevate cybersecurity awareness and internal expertise, alongside broader educational initiatives to foster Group-wide engagement on this critical subject matter. Our dedication is reflected in our unwavering record of zero data breaches and cyber intrusions.

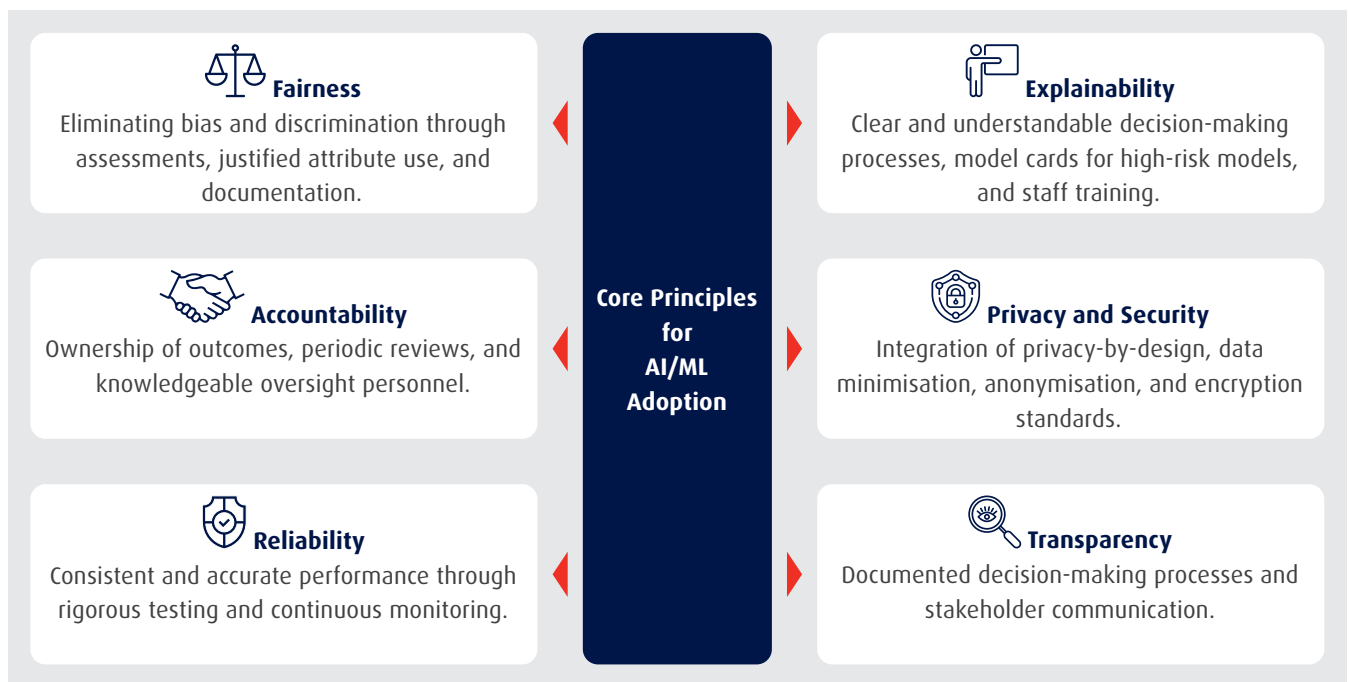


Zero data breaches and cyber intrusions.

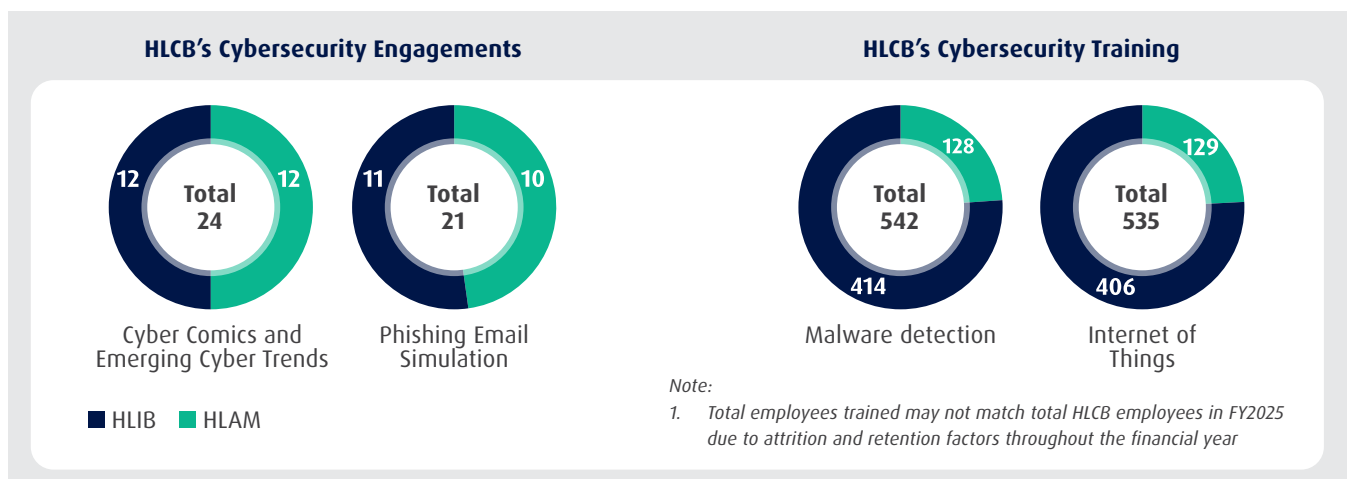
SUSTAINABILITY STATEMENT

To address evolving risks, we regularly review emerging cyber threats and update our internal governance mechanisms to reinforce cyber resilience. In July 2025, HLIB introduced the Artificial Intelligence & Machine Learning ("AI & ML") Management Policy to guide efforts in FY2026 towards the responsible development and use of artificial intelligence and machine learning technologies. The policy ensures alignment with the HLIB's strategic objectives, manages associated risks, and upholds regulatory, legal, and ethical standards. It applies to HLIB, its branches, and any third parties using HLIB's data.

The policy is based on principles that ensure AI & ML adoption risks are appropriately managed, so that there is consistency in application across the organisation and compliance with relevant legislation and regulations. HLIB's AI & ML initiatives must comply with the SC's guiding principles and adhere to BNM's Risk Management in Technology Policy Document ("RMIT") and SC's Guidelines on Technology Risk Management Document ("GTRM").



HLCB also strengthens cyber resilience through regular employee engagement and training. In FY2025, initiatives included the development of cyber comics, awareness campaigns on emerging cyber threats, phishing simulations and dedicated cybersecurity training.



Through our concerted efforts of strengthening internal policies and proactive engagements, HLCB strives to continuously maintain data integrity. In FY2025, the Group **maintained its track record of zero identified leaks, thefts, or losses of customer data.**

SUSTAINABILITY STATEMENT



STRENGTHENING INTERNAL CAPABILITIES



INTRODUCTION

Building a resilient, future-ready organisation requires proactive effort and meaningful employee engagements. At HLCB, we recognise that our people and culture are central to driving sustainable growth and innovation. Our strategic focus revolves around attracting, retaining, and developing top talent, creating a fair and nurturing workplace, embedding a sustainability-driven mindset, and fostering a diverse and inclusive workforce. Together, these priorities enable us to cultivate the skills, values, and collaborative environment that empower our teams to thrive and help HLCB deliver long-term value for all stakeholders.

TALENT ATTRACTION, DEVELOPMENT, AND RETENTION

WHY IT MATTERS

At HLCB, our employees are our most valuable asset. Thus, we continuously prioritise strengthening our talent ecosystem and providing our employees with opportunities for personal and professional growth.

OUR APPROACH AND PERFORMANCE

Our talent development programmes help employees build specialised skill sets, while purposeful engagement keeps our workforce highly motivated to achieve outstanding results. Together, these initiatives create a robust, sustainable talent pipeline and cultivate adaptability to navigate the demands of an ever-changing business and technological environment.

INVESTING IN ROBUST TRAINING PROGRAMMES

Our broader commitment to continuous learning and capacity building is reflected in the wide range of training programmes offered throughout the year. These cover topics spanning compliance, risk management, technical skills, and leadership development.

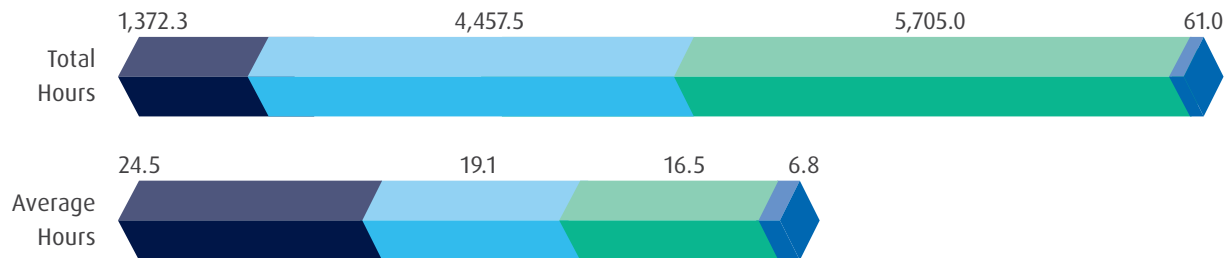
In FY2025, HLCB and its subsidiaries conducted 172 trainings which saw the participation of 627 employees. This amounted to 11,596 hours of training, or an average of 18.5 hours per employee.

Gender	Average Hours		
	FY2023	FY2024	FY2025
Male	12.8	22.6	18.2
Female	10.8	22.6	18.7
Average	11.8	22.6	18.5

SUSTAINABILITY STATEMENT

Training Data by Employee Category

■ Senior Manager ■ Manager ■ Supervisory ■ Non-Supervisory



LEVERAGING OUR COMPETENCY STRUCTURE FOR TARGETED TRAINING

Our competency structure supports our human capital development efforts and is designed to identify leaders, people managers, and contributors within our workforce. This structure enables us to tailor training and development programmes to match the specific skills and attributes required for each role in line with current industry demands.

Leaders

Crucial in driving organisational success by embracing functional excellence, fostering desirable traits and influencing employees to align with the Group's long-term goals.

People Managers

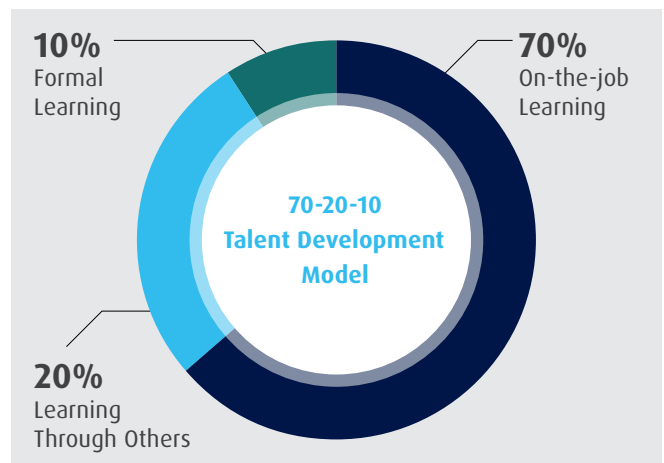
Play a key role in transforming business and operational capacities by focusing on performance, quality and effective employee management to ensure smooth daily operations.

Contributors

Comprise of technical managers and executives, use their expertise and creative skills to identify opportunities, overcome challenges and drive the development of a sustainable business strategy.

ENSURING A TALENT PIPELINE

We recognise the importance of ensuring a robust talent pipeline to protect our business stability and continuity and have continued to leverage on our High Potential ("HiPo") initiative to identify and nurture promising internal talent. Via this initiative, candidates are identified, assessed and supported through their professional development using the 70-20-10 model to meet desired goals. In FY2025, HLCB identified 51 high performers and 21 successors for critical roles.



SUSTAINABILITY STATEMENT



STRENGTHENING INTERNAL CAPABILITIES

In partnership with Securities Commission Malaysia, HLCB has launched a Graduate Trainee programme to nurture graduate talent in the capital market industry. In FY2025, 14 graduate trainees across HLIB and HLAM joined and completed the six-month programme that provides hands-on experience to graduates with relevant qualifications. Among these, 5 trainees transitioned to permanent positions and 1 was hired on a contractual basis.

FOSTERING TWO-WAY COMMUNICATION AND ENGAGEMENT

We recognise the value of effective two-way communication and conduct formal mid-term performance reviews across HLCB to ensure alignment between managers and employees. These reviews help identify skill gaps and provide insights that guide targeted development and action plans. In FY2025, all employees received performance appraisals.

Additionally, we view volunteerism via CSR initiatives as a form of meaningful employee engagement. We encourage our employees to give back to their communities by organising various CSR initiatives throughout the year. In FY2025, we formalised HLCB's CSR Framework as a guide to develop more strategic CSR initiatives and to encourage greater participation from our employees. We also established the CSR Core Committee, with employee representation from several key departments. For more information, please refer to page 86 of our Engaging on Sustainability chapter.



DIVERSE AND INCLUSIVE WORKFORCE

WHY IT MATTERS

We continue to champion a diverse and inclusive workplace where every employee is treated equally and is free from discrimination. Beyond fulfilling our regulatory obligations, this commitment enables us to attract and retain talent from a broad range of backgrounds, experiences, and perspectives. By embracing diversity and promoting equal opportunity, we strengthen our capacity for informed, creative decision-making and cultivate an environment where productivity, innovation, and engagement can thrive.

OUR APPROACH AND PERFORMANCE

DIVERSITY AND INCLUSION

Our commitment towards a diverse and inclusive workforce, along with our strong stance against harassment, is enshrined in our business Code of Conduct and Ethics, applied across the group. We practise zero-tolerance on discrimination of any kind, including discrimination based on race, nationality, citizenship status, religion, gender, age, and disability. Our employees come from diverse cultural

backgrounds and experiences, and we strive to maintain a respectful and inclusive working environment for all. Our employees are expected to maintain respectful conduct within the organisation as well as with customers and business partners. Failure to create an inclusive environment can adversely affect employee engagement and well-being. Unacceptable behaviour such as unwelcomed jokes and physical contact, derogatory comments, or bullying and intimidating behaviour of any kind is not tolerated. In FY2025, we received zero reports on grievances or incidents related to harassment, bullying, or discrimination.

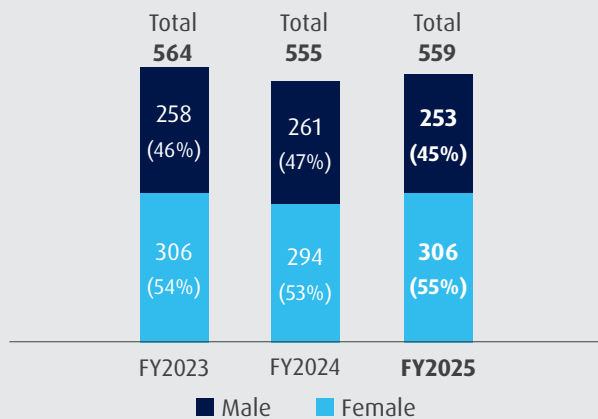


In FY2025, our attrition rate decreased by **7.6%**.

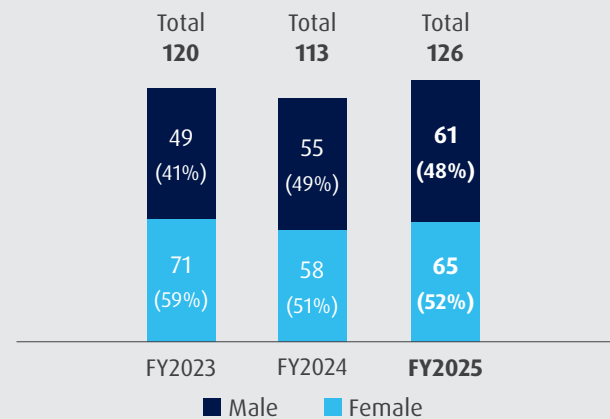
SUSTAINABILITY STATEMENT

In preserving the diversity of our organisation, we are pleased to report that women make up 55% of our Group's total workforce, reflecting our commitment to gender representation and equality. The following section provides a breakdown of our diversity and hiring data.

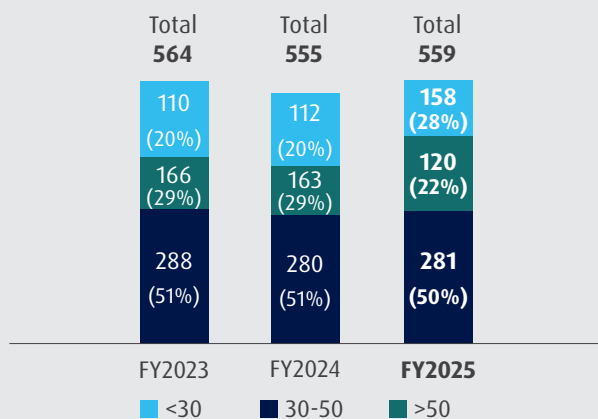
Employees by Gender



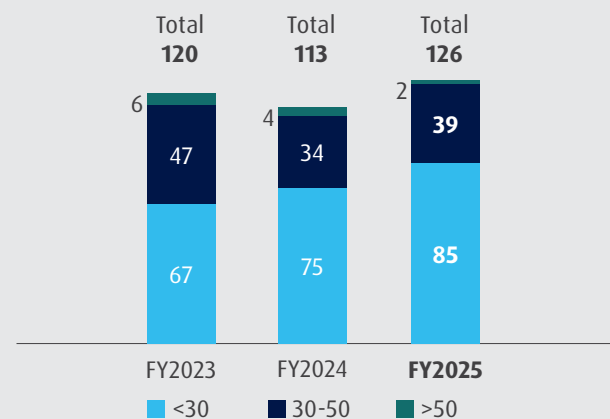
New Hire by Gender



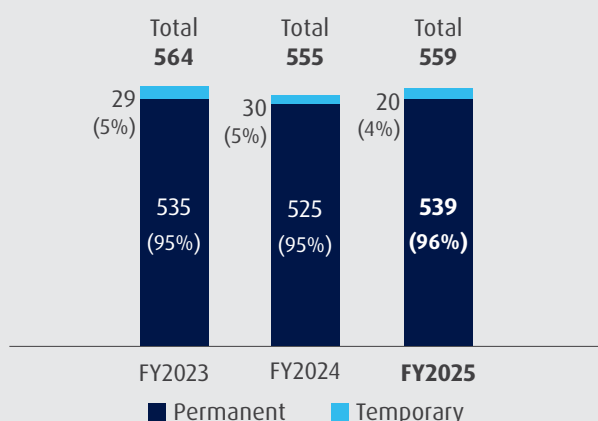
Employees by Age Group



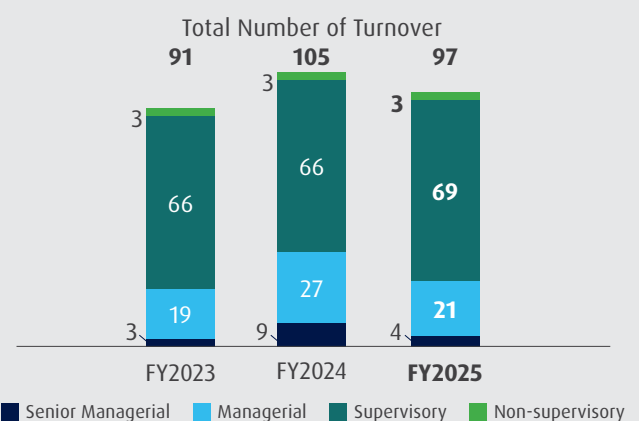
New Hire by Age Group



Permanent and Temporary Employees



Employee Attrition by Category



SUSTAINABILITY STATEMENT



STRENGTHENING INTERNAL CAPABILITIES



CREATING A FAIR AND NURTURING WORKPLACE

WHY IT MATTERS

Our employees' safety, well-being, and overall satisfaction remain at the core of our people strategy as we strive to provide a secure, supportive, and inclusive work environment. By investing in their well-being and offering meaningful benefits that enhance job satisfaction, we inspire motivation, loyalty, and a greater sense of purpose. This holistic focus not only empowers our people to thrive personally and professionally but also strengthens our collective capabilities, improving retention and long-term business performance.

OUR APPROACH AND PERFORMANCE

PRIORITISING HEALTH, SAFETY, AND WELL-BEING

Ensuring the health, safety, and well-being of our workforce is a key enabler of business success, enhancing both productivity and morale. Our unwavering commitment to occupational safety and health is reflected in our strict compliance with the Occupational Safety and Health (Amendment) Act 2022 (Act A1648) and in the continuous evolution of our policies and practices, which covers all employees. In FY2025, HLCB recorded zero work-related fatalities.



In FY2025, HLCB recorded **Zero** work-related fatalities.

We take a proactive and preventative approach, regularly reviewing health and safety protocols, identifying emerging risks, and delivering emergency preparedness training, including fire drills and other safety exercises, so our people are equipped to respond effectively. To ensure all employees are familiar with the Group's occupational health and safety policies and practices, we conducted 2 fire drill trainings participated by 220 employees on building evacuation procedures in response to simulated emergencies.



In FY2025, we conducted **2 fire drills**, participated by **220 employees**.

EXTENDING SUPPORT TO FAMILIES

Our commitment to our employees extends to their loved ones. Through the Hong Leong Group Scholarship Awards ("GSA"), we support the educational aspirations of our employees' children who qualify for the awards, helping to ease financial burdens across pre-university through undergraduate levels. By supporting the next generation, we enable our people to focus on their work and personal goals with greater peace of mind.

ENSURING FAIR COMPENSATION AND BENEFITS

We maintain rigorous, annual remuneration reviews to ensure fair, competitive compensation that reflects market standards and addresses any pay gaps. Beyond fair pay, we offer a suite of well-rounded benefits to enhance our employees' financial security and well-being, which include healthcare coverage, insurance, housing support, and paid leave provisions for parental, prolonged illness, marriage, pilgrimage, and educational purposes.

SUSTAINABILITY STATEMENT

LABOUR STANDARDS

HLCB maintains a clear company policy on labour standards that is communicated to all employees across the organisation in clear and understandable language to ensure accessibility and comprehension. We comply with the statutory minimum wage requirements and are committed to ensuring a living wage,

fostering the well-being and financial security of our workforce. Additionally, we comply with local laws and regulations pertaining to working hours. We support local laws regarding the right to freedom of association. However, in FY2025, we have no employees who were part of any unions in Malaysia. In FY2025, we received zero substantiated complaints concerning human rights violations.



FOSTERING A SUSTAINABILITY DRIVEN CULTURE

WHY IT MATTERS

Cultivating a sustainability-driven culture is key to ensuring that our entire workforce is equipped with the knowledge, skills, and mindset to support responsible practices across the organisation. By fostering awareness and active participation, we not only enhance our capacity to navigate evolving market expectations and regulatory requirements but also strengthen our standing as a responsible and future-focused corporate citizen.

OUR APPROACH AND PERFORMANCE

EMBEDDING ESG ACROSS THE GROUP

Our commitment to sustainability is underpinned by a robust governance framework that integrates ESG into all key decisions and processes. Our SSC and SWC drive this agenda by facilitating cross-functional collaboration and championing sustainability initiatives throughout the Group.

We continuously review and enhance our policies and standard operating procedures ("SOPs") to align with best practices and emerging ESG expectations. Throughout FY2025, we continue to embed ESG considerations into all areas of our operations, from risk and credit assessments to capital markets and corporate banking processes.

BUILDING ESG CAPACITY

Strengthening our employees' sustainability competencies is central to achieving our goals. Our structured ESG training programmes, developed in partnership with industry leaders and training bodies, enable employees at all levels to advocate and implement sustainability initiatives. This includes our ongoing collaboration with the Asian Banking School to deliver the 'Sustainability Transformation: Driving Positive Change Through Personal Actions and Commitment to ESG' programme, which empowers participants to embrace sustainability as both professionals and individuals.

SUSTAINABILITY STATEMENT



STRENGTHENING INTERNAL CAPABILITIES

Additionally, HLIB and HLAM have been proactive in developing ESG advisory and financing expertise across their teams by attending ESG-focused seminars, workshops, and conferences — helping our people stay ahead of evolving trends and best practices.

As part of our ongoing commitment to embedding sustainability into our culture and operations, we conducted a series of in-house and external training programmes to build awareness, strengthen internal capabilities, and align our workforce with evolving ESG expectations. These sessions equipped employees across all levels with the knowledge and tools needed to support our sustainability objectives and meet stakeholder expectations in a rapidly changing landscape. In FY2025, we conducted 24 internal and 25 external ESG training sessions, and recorded an average of 7.8 training hours on ESG related training. In total, 144 employees attended internal training while 34 attended external training.



24 internal ESG-related training sessions



25 external ESG-related training sessions



7.8 average ESG-related training hours per employee



144 attended internal while **34** attended external training



Sustainability-Related Training Highlights

ESG Fundamentals

Number of Trainings:

6

Organisers: *HLCB, Institute of Corporate Directors Malaysia ("ICDM"), PwC, Securities Industry Development Corporation ("SIDC"), Prime Minister's Department, Ministry of Finance, D Jungle People*

Climate Risk and Environmental Management

Number of Trainings:

8

Organisers: *Kumpulan Wang Persaraan (Diperbadankan) ("KWAP"), Institute of Enterprise Risk Practitioners ("IERP"), Asian Banking School, Asian Institute of Chartered Bankers ("AICB"), RAM Holdings Berhad, HRD Corp, Malaysian Investment Banking Association*

Sustainable Finance and Investment

Number of Trainings:

4

Organisers: *HLCB, SIDC, Joint Committee on Climate Change, GFANZ Asia Pacific Network, RAM Holdings Berhad*

Governance, Risk and Regulatory Compliance

Number of Trainings:

3

Organisers: *AICB, SIDC, Bursa Malaysia*

Innovation

Number of Trainings:

1

Organisers: *AICB, The Association of Banks in Malaysia*

SUSTAINABILITY STATEMENT



ENGAGING ON SUSTAINABILITY



INTRODUCTION

At HLCB, we are dedicated to sustainability, integrity, and trust through strong governance and ethical conduct. Our areas of priority for meaningful stakeholder value creation include fair treatment of financial consumers, upholding human and labour rights, and building a sustainable supply chain by supporting local Malaysian businesses. Beyond this, we focus on creating positive impact for broader subsets of the community by actively initiating CSR initiatives.

GOOD GOVERNANCE & ETHICAL BUSINESS CONDUCT

WHY IT MATTERS

Upholding rigorous governance and ethical behaviour safeguards our integrity, strengthens stakeholder trust, and protects the company from reputational and regulatory risks. By embedding fairness, transparency, and accountability in all decisions, we secure a robust foundation for sustainable business operations. Our steadfast adherence to a comprehensive code of conduct and oversight ensures legal compliance and ethical conduct.

OUR APPROACH AND PERFORMANCE

RESILIENCE VIA INTEGRITY

At HLCB, we prioritise a culture of accountability and professionalism through clear guidelines that outline employee obligations and responsibilities. Our policies align with regulatory requirements from BNM, Securities Commission Malaysia, Bursa

Malaysia, and Financial Services Professional Board ("FSPB"). Our Code of Conduct and Ethics sets the expected values and behaviours for employees and management, with mandatory adherence and annual compliance declarations. We have numerous policies and procedures in place to ensure a resilient business, including regular reviews of all relevant documents to maintain effectiveness.

ANTI-BRIBERY AND CORRUPTION

HLCB maintains a strict zero-tolerance stance on bribery and corruption, underpinned by its ABC Policy. The Board holds ultimate responsibility enforcing this policy. The Risk Management Department conducts comprehensive assessments of key corruption and bribery risks.

SUSTAINABILITY STATEMENT



ENGAGING ON SUSTAINABILITY

Key Coverage of HLCB's Comprehensive Corruption and Bribery Risk Assessments

- Potential weaknesses in governance and internal procedures
- Transactions that may hide corrupt payments
- Non-compliance by external parties
- Risks associated with third parties in the supply chain
- Activities in high-risk countries

Our internal procedures allow us to effectively address corruption in high-risk areas. These procedures cover a wide range of anti-corruption practices, including bribery. As part of our due diligence process, we screen all internal and external parties, such as Board members, employees, partners, contractors, subcontractors, vendors, suppliers, service providers, consultants, and any other individuals associated with HLCB before hiring or engaging their services. This helps us identify and mitigate any corruption and money laundering related risks. All actual or suspected violations of the ABC Policy can be reported through the established whistleblowing channel, as detailed in the Whistleblowing Policy. In FY2025, we assessed 52 units of our operations for risks related to corruption.

ABC Risk Assessments & Culture	FY2023	FY2024	FY2025
Operations assessed for corruption related risks (%) *	98	100	100
Confirmed incidents of corruption and action taken (no.)	0	0	0

* Full corruption risk assessments are conducted biennially based on company policy. For financial years without a full corruption risk assessment, we conduct a Risk & Control Self-Assessment ("RCSA")

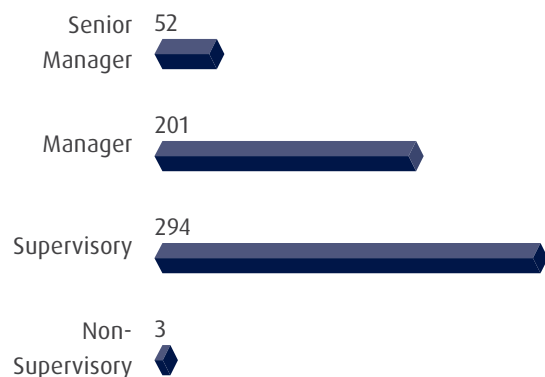
Additionally, we conduct regular anti-bribery and anti-corruption training for our employees. In total, HLCB conducted 38 anti-bribery and anti-corruption sessions, attended by 550 employees. In FY2025 we reported zero cases of staff disciplinary actions on anti-corruption.



Zero cases of corruption.

Anti-Corruption Training

■ Number of Employees



Note

- Anti-corruption training is scheduled based on the calendar year which may result in lower than actual % of employees trained in the financial year

SUSTAINABILITY STATEMENT

FINANCIAL CRIME AND FRAUD

Recognising the ever-evolving landscape of financial crime, HLCB is dedicated to investing in our staff, processes, and technology to stay ahead of emerging threats. We regularly update policies and procedures to remain resilient against risks from financial crimes, while ensuring full compliance with relevant regulations. Our AML/CFT/CPF & TFS Policy outlines our strategy to combat these risks. As an additional layer of risk mitigation, we regularly conduct mandatory, ongoing training programmes and assessments focused on AML/CFT/CPF & TFS.

In FY2025, we conducted 50 training sessions. 511 employees were trained over 2,103.5 hours. We clocked an average of 4.1 training hours per employee.

AML/CFT/CPF & TFS Training	FY2023	FY2024	FY2025
No. of training sessions	N.A.	57	50
Total employees trained	528	608	511
Total training hours	2,014	1,968.5	2,103.5
Average number of training hours per employee	3.8	3.2	4.1

Note:

1. Total employee attendance may differ from our total number of employees within the financial year due to attrition and onboarding

COMPLIANCE CULTURE

At HLCB, the Board and Senior Management share responsibility for managing compliance risk. Our Senior Management develops and maintains policies and controls to meet regulatory requirements, while the Compliance Department conducts risk-based reviews to assess internal controls.

We regularly review all policies and procedures, including the ABC Policy and Code of Conduct and Ethics. Aligned with the Bank's Governing Documents Policy, relevant departments must review their policies and SOPs at least once a year to ensure its adequacy, effectiveness and update it to reflect the latest regulatory requirements and any changes to their activities.

HLCB ensures that all employees and Board members receive updated policy versions, which are also accessible on the Group's intranet. To reinforce adherence, employees are mandated to submit annual compliance declarations.

In FY2025, all relevant policies and procedures were managed effectively and efficiently, with no regulatory penalties recorded for the year. There was no significant non-compliance with laws and regulations during the reporting period.

WHISTLEBLOWING POLICY AND PROCEDURES

HLCB's Whistleblowing Policy ensures operational integrity. It encourages employees, associates, and external stakeholders—including those providing services or having business relationships with HLCB to report misconduct, including fraud, theft, breach of trust, corruption, bribery, and blackmail. Reports can be submitted anonymously, and those who report in good faith are protected from retaliation as permitted by law and the policy.



Scan this QR code for more info on our Whistleblowing Policy.



FAIR TREATMENT OF FINANCIAL CONSUMERS

WHY IT MATTERS

Ensuring every customer is treated with fairness, transparency, and respect is at the heart of our customer-first ethos. By embedding clear terms, responsive support, and responsible product design, we protect consumer interests and build loyalty. This equitable approach helps reduce dispute risk and strengthens our reputational value. This fosters trust and enhances long-term relationships and sustainable growth.

OUR APPROACH AND PERFORMANCE

We are guided by our Code of Conduct and Ethics, which is overseen by our Board, and strive to uphold principles of transparency, integrity, and ethics across our portfolios and client interactions, ensuring compliance in all activities. We provide clients with thorough product information and ensure contracts reflect mutually agreed terms. Additionally, we are dedicated to responsible marketing, conducting due diligence to ensure all marketing communications comply with regulatory standards before distribution.

SUSTAINABILITY STATEMENT



ENGAGING ON SUSTAINABILITY

To maintain competency in fair treatment of financial consumers, we provide regular training for relevant employees and implement control measures like Key Risk Areas and SOPs. Employees in regulated activities must hold a Capital Markets Services Representative's Licence from the Securities Commission Malaysia. Those marketing Unit Trust Schemes or Private Retirement Schemes must register with the Federation of Investment Managers Malaysia. HLCB is also dedicated to protecting customer data privacy and confidentiality. At HLIB, transparency and fair treatment are governed by our New Products and Services Policy.

HLIB's New Products and Services Policy Key Principles



Customer Experience

Value propositions of new products, and services should be periodically reviewed to optimise the customer experience



Fair Banking

Fair and transparent terms shall be applied for new business initiatives, products and services designs and implementation



Sustainability

The designs and implementation of products and services shall aim towards advancing sustainability principles



Risk Considerations

Product and service evaluation and approval must consider risk management to maintain acceptable risk exposures and promote enterprise value sustainability



Regulatory Compliance

Evaluation and approval of products and services shall comply with BNM's Introduction of New Products policy document and all other applicable regulations



Continuous Reviews

Products and services shall be reviewed annually by HLIB



HUMAN & LABOUR RIGHTS

WHY IT MATTERS

HLCB is committed to upholding human and labour rights, guided by ethical principles and regulatory requirements. These commitments are integrated into our policies and practices, supported by due diligence and preventive measures to ensure respect for human rights. Aligned with the UN Global Compact, we are dedicated to addressing adverse social impacts on employees, business partners, and the community.

OUR APPROACH AND PERFORMANCE

Our Code of Conduct and Ethics policies protect employee human rights by ensuring a safe, diverse workplace free from harassment or discrimination. All hiring practices within the Group and its supply chain must strictly comply with local laws. We regularly communicate our Code of Conduct and Ethics policies as well as other relevant labour policies to our employees to ensure they are kept abreast with relevant changes.

Our commitment extends to our supply chain, as outlined in the HLIB Procurement Management Policy which covers HLAM as well, emphasises human rights protection and fair employment practices in vendor selection. We ensure all hiring practices, both internally and across our supply chain, comply with local laws.

Additionally, the Whistleblowing Policy encourages reporting of violations, which are swiftly addressed. In FY2025, there were zero reported incidents of harassment, bullying, discrimination, or labour and/or human rights violations.

SUSTAINABILITY STATEMENT



SUSTAINABLE SUPPLY CHAIN

WHY IT MATTERS

In the financial services sector, a sustainable supply chain is critical to ethical operations and long-term business resilience. As financial services increasingly rely on specialised external providers, outsourcing introduces unique risks, including data security or ethical conduct. Recognising these challenges, we are committed to ensuring a sustainable supply chain that aligns with our values and regulatory requirements.

OUR APPROACH AND PERFORMANCE

We achieve sustainable procurement through robust policies and procedures. The HLIB Outsourcing Management Policy and the HLIB Procurement Management Policy which were updated in July 2025, provide frameworks for responsible decision-making, thorough due diligence, and continuous monitoring. These policies also cover HLAM's procurement practices. By embedding sustainability in our supply chain, we aim to mitigate risks, protect client interests, and ensure resilience in a dynamic environment.

Policies and Procedures to Maintain Supply Chain Resilience

Outsourcing Management Policy

- Outlines responsible outsourcing decisions, mitigating potential outsourcing vulnerabilities.
- Aligns with BNM regulations.
- Comprehensive risk assessment implemented to manage outsourcing risks.
- Ensures the protection of client privacy and data security.
- Requires sustainability factors to be considered when selecting outsourcing partners.

Procurement Management Policy

- Ensures procurement practices are conducted ethically, transparently, and efficiently.
- Covers vendor evaluation, due diligence, and performance reviews.
- Ensures compliance with laws, regulations, and internal standards, promoting financial responsibility.
- Requires sustainability due diligence, including assessing human rights, fair labour practices, and environmental performance of vendors.

Vendor Due Diligence includes assessments on:

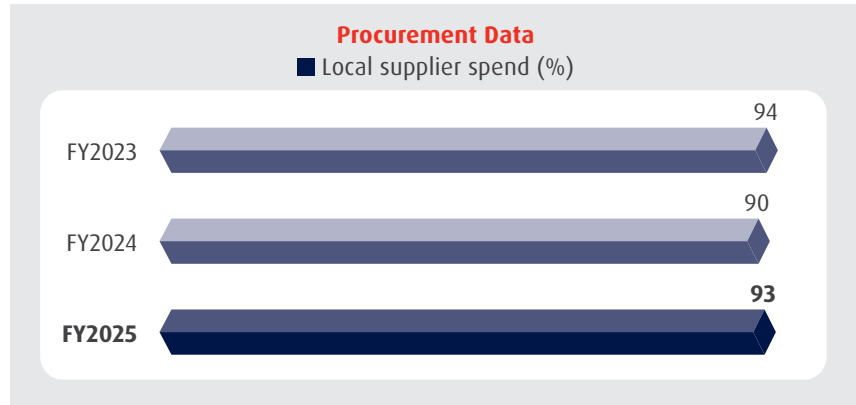
- Fair labour practices that cover human rights protection, non-discrimination, preventing child labour, and fair wages.
- Occupational health and safety ("OHS") considerations including the establishment of OHS policies, training, and emergency response plans.
- Environmental considerations including environmental management policies, reduction and recycling programmes, energy efficiency measures, and water management initiatives.

SUSTAINABILITY STATEMENT



ENGAGING ON SUSTAINABILITY

Additionally, we are committed to supporting local Malaysian suppliers, recognising their vital role in building a reliable and sustainable supply chain. As of FY2025, the majority of our suppliers and service providers are locally based, with 93% of the Group's procurement spending directed towards Malaysian businesses. We recorded a 3% increase in local procurement spend compared to FY2024. This underscores our dedication not only to responsible sourcing but also to supporting the domestic economy.



FINANCIAL INCLUSION & LITERACY

WHY IT MATTERS

Promoting financial inclusion and literacy empowers individuals and fosters economic participation. Our campaigns, programmes, stakeholder engagements, and accessible offerings help bridge financial barriers. This commitment aligns with our purpose, builds trust with communities, and opens growth opportunities. Enabling financial capability supports inclusive prosperity and sustainable development.

OUR APPROACH AND PERFORMANCE

Our approach to enhancing financial inclusion and literacy is focused on our retail customers and the general public. We base our efforts on bridging the knowledge gap on investing and providing access to our diverse investment products.

HLIB conducts regular engagements through the financial year to encourage more Malaysians to invest as well as to strengthen financial literacy.

Encouraging Financial Inclusion Among First Time Investors				
Event	For Whom	Details	Outcome	Impact
Roadshow participation in Structured Investment Programme for Malaysian Indians	Young Malaysian Indians in the B40 and M40 bracket	Two-day programme hosted by Bursa Malaysia in partnership with Malaysian Indian Community Transformation Unit ("MITRA") to improve financial literacy of Malaysian Indians	24 new accounts opened	Providing access to the B40 and M40 Indian communities to the capital market
Women's Choice Campaign 2025	New female investors	Annual campaign celebrating International Women's Day to promote financial inclusion for female investors	620 new accounts opened	Expanding access for female investors and encouraging trading activities amongst them
Investsmart Fair Exhibition	General public and retail investors	3-day futures trading booth at Mid Valley Megamall promoting HLIB Futures	5 new accounts opened	Educating the public on more advanced forms of investing to diversify their portfolios

SUSTAINABILITY STATEMENT

Enhancing Financial Literacy Among Retail Investors				
Event	For Whom	Details	Outcome	Impact
Market Outlook Webinar on Malaysia Rejuvenation	Retail investors who are seeking information to maneuver their investment portfolio	Online webinar covering topics on economics, market strategy and stock recommendation	251 attendees	Helping investors ensure their investment decisions are sound and well-informed
Crude Palm Oil Futures Webinar in Bahasa Melayu	Retail investors seeking information in a more tailored medium	Basic FCPO understanding webinar conducted in Bahasa Malaysia by HLIB Senior Futures Dealer	14 attendees	Making investment products more understandable by promotion via diverse languages
CME Micro Metal Futures Webinar	Price-sensitive and budget-conscious traders	Webinar promoting newly launched micro-sized metal futures as budget-friendly options	44 attendees	Catering our services and expertise to meet the needs of diverse subsets of local investors



958* individuals positively impacted via our engagements on financial inclusion and financial literacy

* Figure represents a summation of total new accounts opened and total attendees in FY2025

Promoting Sustainable Investing Among Retail Investors

Following the successful launch of our HLIB's ESG Margin Financing in January 2025, we recently participated in the **Bursa Eco Carnival** to promote access towards sustainable investments, including our **HLIB ESG Margin Financing**. This event underscores our commitment to fostering a greener future through responsible financial solutions.

HLIB expanded its presence to Kuantan, Pahang and Kota Kinabalu, Sabah. This move directly supports our mission: **to put diverse investment products within reach of more Malaysians**. As we expand our physical presence, we seek to empower more individuals across the nation with the tools and opportunities to achieve their financial goals. These new hubs will directly deliver our expertise and comprehensive investment solutions to more communities.

As for HLAM, the entity conducts year-round campaigns and promotions. In FY2025, key focus areas of the campaigns included engagements with first-time investors and raising awareness on the importance of investing for retirement. Further details of these engagements can be found on page 69 of the Client Experience section of the Impactful Digitalisation chapter.



SUPPORTING SOCIAL ENTERPRISES AND COMMUNITIES

WHY IT MATTERS

Actively supporting social enterprises and local communities advances socio-economic development and community resilience. Through strategic partnerships, funding, and volunteering, we empower change-makers and deliver meaningful impact both socially and environmentally. This reinforces employee purpose, enhances corporate reputation, and strengthens stakeholder relationships. Championing social impact amplifies our societal footprint and contributes to a more inclusive and sustainable future.

OUR APPROACH AND PERFORMANCE

In FY2025, we strengthened strategic governance and impact mobilisation of how we create value for communities and social enterprises. We established the CSR Core Committee and subsequently introduced the CSR Framework as a means of facilitating strategic planning and executing year-long social and environmental impact initiatives. Through our concerted efforts, we have been able to record an overall increase in on CSR impact in FY2025 as outlined in the sections below.

SUSTAINABILITY STATEMENT

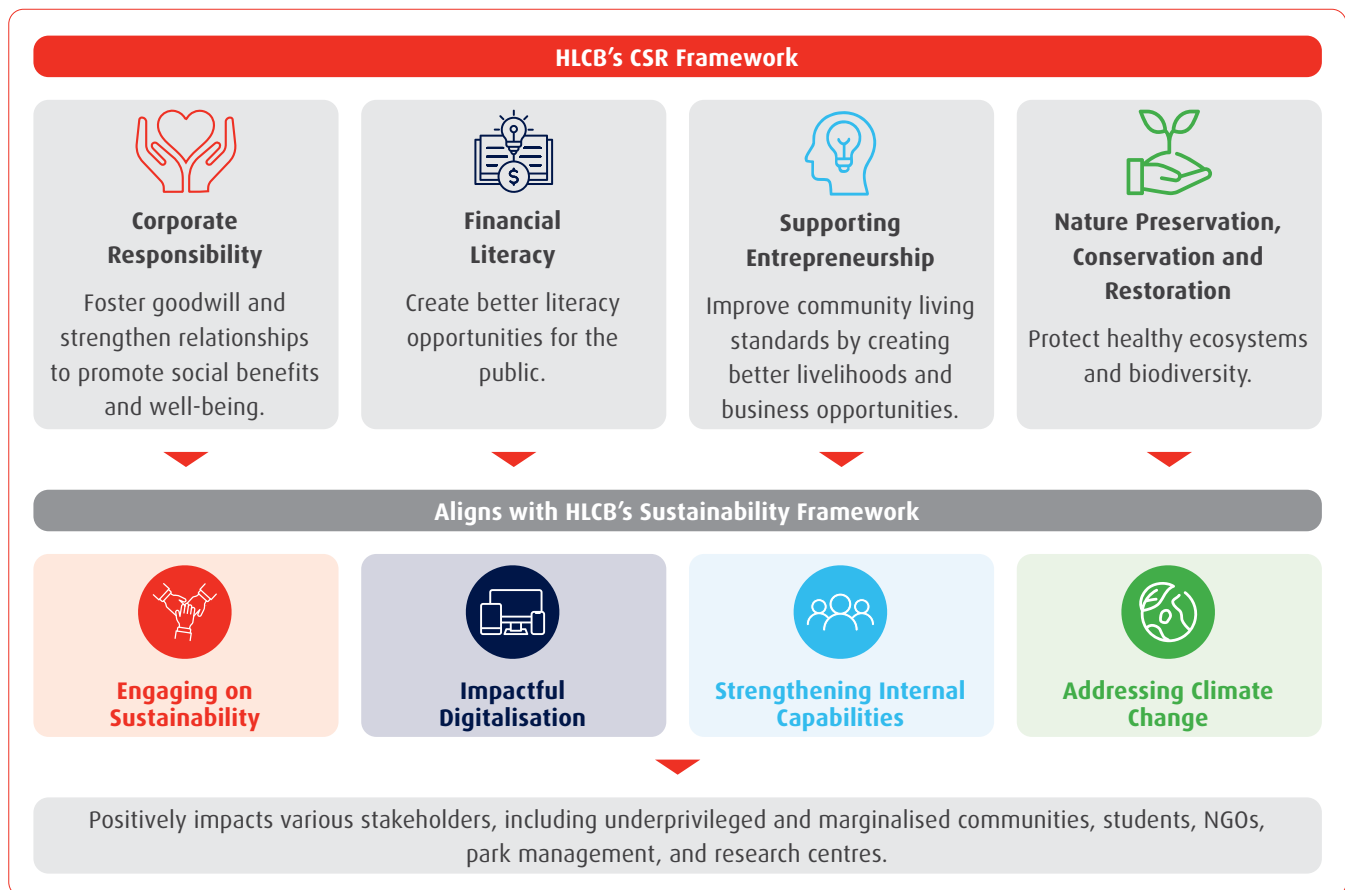


ENGAGING ON SUSTAINABILITY

HLCB'S CSR FRAMEWORK

We formalised the CSR Framework in FY2025 as a means of strategically creating social and environmental impact. To ensure integration with our overall sustainability efforts, the CSR framework has four key pillars that mirror the HLCB Sustainability Framework. Via this linkage, we have initiated the first steps in integrating our community investment priorities with our business and sustainability strategies.

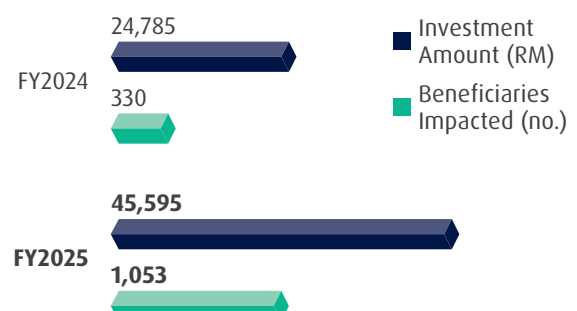
The CSR Core Committee was established to govern the CSR Framework and mobilise planning and resources for our CSR initiatives. The framework and the governance structure were established to facilitate greater volunteerism and engagement between our employees and external partners to create impact.



CREATING SOCIAL AND ENVIRONMENTAL IMPACT

In FY2025, the CSR Framework and CSR Core Committee enabled us to increase our CSR spending by 84%, representing significant investment growth. HLCB also recorded 220% growth in the number of beneficiaries positively impacted including individuals in need and social enterprises, indicating improved outreach and programme effectiveness.

HLCB's FY2025 CSR Performance and Impact



SUSTAINABILITY STATEMENT

We have also begun tracking employee volunteerism hours to gauge the effectiveness of the engagements between our employees and our external partners. In FY2025, 93 employees volunteered for a total of 281 hours across various initiatives tied to the pillars of our CSR Framework. These data points will serve as a baseline for future employee engagement measurement and continuous improvement of our CSR initiatives.



In FY2025, **93 employees** volunteered for a total of **281 hours** across various initiatives.

CSR Framework Pillar	CSR Initiative	Partners/ Beneficiaries	Impact Created
 Corporate Responsibility	Kurma donation to community members	Masjid and surau within KL and Selangor areas	432 beneficiaries across 12 masjid and surau benefitted
	Food donation drive for the homeless	PERTIWI Soup Kitchen	Meals distributed to 600 underprivileged individuals for Iftar
	Lightweight wheelchairs donation	Persatuan Bekas Polis Malaysia Negeri Selangor	Supported 5 disabled ex-Police members
 Nature preservation, conservation and restoration	Nature Education Programme ("NEP") at Taman Tugu	Taman Tugu Project Development Sdn. Bhd.	Contribute to forest conservation & rehabilitation
	Zoo Negara Clean Up project in collaboration with Hong Leong Bank, Hong Leong Financial Group and Hong Leong Assurance	Zoo Negara Malaysia	Contribute to improving and preserving the environment
 Supporting Entrepreneurship	Procuring goods and services for festive celebrations from social enterprises	Seven Tea One Sdn Bhd	Support 16 differently abled teens to be employed and earned dignified income

Through our CSR Framework, we take a strategic approach to social and environmental impact. Moving forward, we will focus on initiatives that promote financial literacy and financial inclusion across more stakeholders.

GRI CONTENT INDEX

Statement of use	Hong Leong Capital Berhad has reported the information cited in this GRI content index for the period 1 July 2024 to 30 June 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SECTION	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Statement - Reporting Scope and Boundaries	26
	2-2 Entities included in the organization's sustainability reporting	About This Statement - Reporting Scope and Boundaries	26
	2-3 Reporting period, frequency and contact point	About This Statement - Reporting Scope and Boundaries	26
	2-4 Restatements of information	Addressing Climate Change - Monitoring Our Operational GHG Emissions	60, 61, 64
	2-5 External assurance	About This Statement - Board Approval and External Assurance	27
	2-6 Activities, value chain and other business relationships	Introduction	2-5
	2-7 Employees	Strengthening Internal Capabilities - Diverse and Inclusive Workforce	75
	2-8 Workers who are not employees	Strengthening Internal Capabilities - Diverse and Inclusive Workforce	75
	2-9 Governance structure and composition	Sustainability Governance - Roles and Responsibilities, Board Composition	37-38
	2-11 Chair of the highest governance body	Board of Directors' Profile	108-110
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability - Sustainability Governance	38
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance - Roles and Responsibilities	38
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance - Sustainability Governance Structure	38
	2-15 Conflicts of interest	Board Audit and Risk Management Committee Report	115
	2-16 Communication of critical concerns	Good Governance & Ethical Business Conduct - Whistleblowing Policy and Procedures	81
	2-17 Collective knowledge of the highest governance body	Our Approach to Sustainability - Board and Senior Management Sustainability Experience and KPI	41

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	SECTION	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Our Approach to Sustainability - Board and Senior Management Sustainability Experience and KPI	41
	2-19 Remuneration policies	Our Approach to Sustainability - Board and Senior Management Sustainability Experience and KPI	41
	2-20 Process to determine remuneration	Our Approach to Sustainability - Board and Senior Management Sustainability Experience and KPI	41
	2-22 Statement on sustainable development strategy	Chairman's Statement	8-11
	2-23 Policy commitments	Embedded throughout report	41, 43, 46, 71, 82, 83
	2-24 Embedding policy commitments	Sustainability Governance - Sustainability Governance Structure	37
	2-26 Mechanisms for seeking advice and raising concerns	Engaging on Sustainability - Good Governance & Ethical Business Conduct	81
	2-27 Compliance with laws and regulations	Engaging on Sustainability - Good Governance & Ethical Business Conduct	79
	2-28 Membership associations	About this Statement - Membership and Associations	27
	2-29 Approach to stakeholder engagement	Engaging on Sustainability - Stakeholder Engagement	29-31
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Approach to Sustainability - Materiality	31-33
	3-2 List of material topics	Our Approach to Sustainability - Materiality	31-33
	3-3 Management of material topics	Our Approach to Sustainability - Identifying and Addressing Material Sustainability Risks and Opportunities	33-36
GRI 201: Economic Performance (2016)	201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change - Identifying Climate Related Risk, Leveraging Climate Opportunities	47, 56-57
GRI 203: Indirect Economic Impacts (2016)	203-1 Infrastructure investments and services supported	Addressing Climate Change - Leveraging Climate Opportunities	55
		Engaging on Sustainability - Financial Inclusion and Literacy	84-86
GRI 204: Procurement Practices (2016)	204-1 Proportion of spending on local suppliers	Engaging on Sustainability - Sustainable Supply Chain	84
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	Engaging on Sustainability - Good Governance & Ethical Business Conduct	80
	205-2 Communication and training about anti-corruption policies and procedures	Engaging on Sustainability - Good Governance & Ethical Business Conduct	80
	205-3 Confirmed incidents of corruption and actions taken	Engaging on Sustainability - Good Governance & Ethical Business Conduct	80

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	SECTION	LOCATION (PAGE)
GRI 301: Materials (2016)	301-1 Materials used by weight or volume	Impactful Digitalisation - Accessibility via Diverse Digital Services	67
GRI 302: Energy (2016)	302-1 Energy Consumption within the organization	Addressing Climate Change - Monitoring our Environmental Footprint	63
	302-2 Energy Consumption outside the organization	Addressing Climate Change - Monitoring our Environmental Footprint	63
	302-4 Reduction of energy consumption	Addressing Climate Change - Monitoring our Environmental Footprint	63
GRI 303: Water and Effluents (2018)	303-5 Water consumption	Addressing Climate Change - Monitoring our Environmental Footprint	64
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change - Monitoring our Operational GHG Emissions	60
	305-2 Energy Indirect (Scope 2) GHG emissions	Addressing Climate Change - Monitoring our Operational GHG Emissions	61
	305-3 Other indirect (Scope 3) GHG emissions	Addressing Climate Change - Monitoring our Financed Emissions	59, 61
	305-5 Reduction of GHG emissions	Addressing Climate Change - Monitoring our Operational GHG Emissions	60-61
GRI 306: Waste (2020)	306-3 Waste generated	Addressing Climate Change - Waste Management	64
	306-4 Waste diverted from disposal	Addressing Climate Change - Waste Management	64
	306-5 Waste directed to disposal	Addressing Climate Change - Waste Management	64
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Strengthening Internal Capabilities - Diverse and Inclusive Workforce	75
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Engaging on Sustainability - Sustainable Supply Chain	83
		Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76
	403-2 Hazard identification, risk assessment, and incident investigation	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76
	403-3 Occupational health services	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	SECTION	LOCATION (PAGE)
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76
	403-6 Promotion of worker health	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76
	403-8 Workers covered by an occupational health and safety management system	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace	76
	403-9 Work-related injuries	ESG Performance Data Table	93
	403-10 Work-related ill health	ESG Performance Data Table	93
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	Strengthening Internal Capabilities - Talent Attraction, Development and Retention	72-73
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Engaging on Sustainability - Fostering a Sustainability Driven Culture	77-79
	404-3 Percentage of employees receiving regular performance and career development reviews	Strengthening Internal Capabilities - Talent Attraction, Development and Retention	74
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	Sustainability Governance - Board Composition	39
GRI 406: Non-Discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	Strengthening Internal Capabilities - Diverse and Inclusive Workforce	74
GRI 407: Freedom of Association and Collective Bargaining (2016)	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Strengthening Internal Capabilities - Creating a Fair and Nurturing Workplace, Fostering a Sustainability Driven Culture	77
GRI 413: Local Communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programmes	Engaging on Sustainability - Supporting Social Enterprises and Communities	86-87
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Impactful Digitalisation - Privacy, Data Protection & Cybersecurity	70

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024	2025
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Supervisory	Percentage	94.68	10.46	88.45	100.00
Non-Supervisory	Percentage	1.10	0.00	0.72	23.10
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	98.00	98.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	0
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	24,785.00	45,595.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	122	330	1,053
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Senior Managerial Under 30	Percentage	0.00	0.00	0.00	0.00
Senior Managerial Between 30-50	Percentage	41.70	51.70	46.20	47.20
Senior Managerial Above 50	Percentage	58.30	48.30	53.80	52.80
Managerial Under 30	Percentage	1.60	3.60	3.50	4.20
Managerial Between 30-50	Percentage	78.40	74.70	73.50	75.00
Managerial Above 50	Percentage	20.00	21.80	23.00	20.80
Supervisory Under 30	Percentage	52.00	52.90	53.80	53.40
Supervisory Between 30-50	Percentage	35.80	33.70	32.50	31.40
Supervisory Above 50	Percentage	12.20	13.40	13.60	15.20
Non-Supervisory Under 30	Percentage	34.80	21.10	7.70	7.70
Non-Supervisory Between 30-50	Percentage	34.80	36.80	46.20	53.80
Non-Supervisory Above 50	Percentage	30.40	42.10	46.20	38.50
Gender Group by Employee Category					
Senior Managerial Male	Percentage	58.30	72.40	76.90	69.80
Senior Managerial Female	Percentage	41.70	27.60	23.10	30.20
Managerial Male	Percentage	50.00	45.30	46.10	43.50
Managerial Female	Percentage	50.00	54.70	53.90	56.50
Supervisory Male	Percentage	39.20	41.60	43.40	40.10
Supervisory Female	Percentage	60.80	58.40	56.60	59.90
Non-Supervisory Male	Percentage	60.90	73.70	84.60	84.60
Non-Supervisory Female	Percentage	39.10	26.30	15.40	15.40

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024	2025
Bursa (Diversity)					
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	40.00	40.00	40.00	40.00
Female	Percentage	60.00	60.00	60.00	60.00
Under 60	Percentage	0.00	0.00	0.00	0.00
Between 60-70	Percentage	100.00	100.00	100.00	100.00
Above 70	Percentage	0.00	0.00	0.00	0.00
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	1,023.33	989.73	955.53 *	839.33
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	170	220
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Supervisory	Hours	7,524	6,597	12,406	11,535
Non-Supervisory	Hours	44	14	140	61
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.77	5.14	5.41	4.00
Bursa C6(c) Total number of employee turnover by employee category					
Senior Managerial	Number	4	3	9	9
Managerial	Number	19	19	27	16
Supervisory	Number	34	66	66	69
Non-Supervisory	Number	1	3	3	3
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.00	94.00	90.00	93.00
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	2.110000	1.760000	1.190000	1.760000
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	-	-	-	5.97
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	0.15	1.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	-	4.97

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024	2025
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	28.00	38.20	36.10 *	34.40
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	711.94	656.19	636.11 *	545.12
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	380.57	658.45	687.42 *	754.75

Internal assurance

External assurance

No assurance

(*)Restated

Notes:

1. C1(a): Anti-corruption training is scheduled based on calendar year which may result in lower than actual % of employees trained in the financial year
2. C1(b): Full corruption risk assessments are conducted biennially based on company policy. For financial years without a full corruption risk assessment, we conduct a Risk & Control Self-Assessment ("RCSA")
3. C3(b): In FY2025, we have revised our employee categorization for the Senior Managerial category in alignment with our parent company. Moving forward, future diversity figures will follow this re-categorization
4. C4(a): Our energy figures have been recorded in GJ as per Bursa's Sustainability Reporting Guide (3rd Edition), and the figures in the table above have been converted from GJ to MWh

SASB CONTENT INDEX

TOPIC	METRIC	CODE	SECTION/REMARKS	PAGE
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	None observed in FY2025	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	No losses have been sustained in FY2025	
	Description of approach to informing customers about products and services	FN-AC-270a.3	Engaging on Sustainability - Fair Treatment of Financial Consumers	82
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	FN-AC-330a.1	Strengthening Internal Capabilities - Diverse and Inclusive Workforce	75
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	Addressing Climate Change - Building Climate Resilience	55-56
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	FN-AC-410a.2	Addressing Climate Change - Building Climate Resilience	54-55
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Addressing Climate Change - Building Climate Resilience	56
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-AC-410b.1	Addressing Climate Change - Managing Our Environmental Footprint	59
	Percentage of total assets under management (AUM) included in the financed emissions calculation	FN-AC-410b.3	Addressing Climate Change - Managing Our Environmental Footprint	59
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	Addressing Climate Change - Managing Our Environmental Footprint	59
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	No monetary losses observed in FY 2025	
	Description of whistleblower policies and procedures	FN-AC-510a.2 FN-IB-510a.2	Engaging on Sustainability - Good Governance & Ethical Business Conduct	81
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	FN-IB-330a.1	Strengthening Internal Capabilities - Diverse and Inclusive Workforce	75
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by industry	FN-IB-410a.2	Addressing Climate Change - Building Climate Resilience	55-57
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities	FN-IB-410a.3	Addressing Climate Change - Building Climate Resilience	55-57
Professional Integrity	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	FN-IB-510b.2	None observed in FY 2025.	
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	FN-IB-510b.3	None observed in FY 2025	
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	Engaging on Sustainability - Good Governance & Ethical Business Conduct	81-82
Systemic Risk Management	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-IB-550a.2	Addressing Climate Change - Building Climate Resilience	50-51
Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1	19%	
	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	FN-IB-550b.2	33%	

IFRS S2 CONTENT INDEX

CORE ELEMENT	RECOMMENDED DISCLOSURES	SECTION/REMARKS	PAGE
Governance			
Understand the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Sustainability Governance - Sustainability Governance Structure	37
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Sustainability Governance - Roles and Responsibilities	38
Strategy			
Understand an entity's strategy for managing climate-related risks and opportunities	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Building Climate Resilience - Identifying Climate Related Risks	47-49
		Building Climate Resilience - Leveraging Climate Opportunities	54
	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	Building Climate Resilience - Identifying Climate Related Risks	47-50
		Building Climate Resilience - Leveraging Climate Opportunities	54-55
	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	Building Climate Resilience - Climate Strategy	45-46
		Our Approach to Sustainability - Managing Trade-Offs	37
	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
		Building Climate Resilience - Assessing Our Climate Risk Exposure	52-53
Risk Management			
Understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks.	Building Climate Resilience - Identifying Climate Related Risks	47-50
	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Building Climate Resilience - Identifying Climate Related Risks	47-50
		Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Building Climate Resilience - Identifying Climate Related Risks	47-50
		Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
		Building Climate Resilience - Assessing Our Climate Risk Exposure	52-53
		Building Climate Resilience - Climate Reporting	53
Metrics and Targets			
Understand a company's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation	Information relevant to the cross-industry metric categories.	Managing our Environmental Footprint - Monitoring Our Financed Emissions	59
		Managing our Environmental Footprint - Monitoring Our Operational GHG Emissions	60-61
		Managing our Environmental Footprint - Monitoring Our Environmental Footprint	63
		Refer to the SASB content index on page 95	
	Industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry.	Managing our Environmental Footprint - Monitoring Our Financed Emissions	59
		Managing our Environmental Footprint - Monitoring Our Operational GHG Emissions	60-61
		Managing our Environmental Footprint - Monitoring Our Environmental Footprint	63
		Refer to the SASB content index on page 95	
	Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	Addressing Climate Change - Our Climate Targets and Ambitions	45

TCFD CONTENT INDEX

TCFD RECOMMENDATIONS	TCFD REQUIREMENT	REFERENCE	PAGE
Governance			
Recommendation G1: Board Oversight of Sustainability and Climate-related Matters	Disclose nature of Board oversight and accountability with respect to sustainability and climate-related matters, risks and opportunities.	Sustainability Governance - Roles and Responsibilities	38
Recommendation G2: Sustainability Governance Structure Including Climate-Related Matters at the Management Level	Disclose management-level sustainability governance structure as well as processes for sustainability and climate-related matters, including accountability, responsibility, and decisionmaking.	Sustainability Governance - Roles and Responsibilities	38
Recommendation G3: Sustainability and Climate-related Board Credentials	Disclose sustainability and climate-related credentials, experience and individual biographies for Board members.	Sustainability Governance - Board and Senior Management Sustainability Experience and KPI	41
Recommendation G4: Sustainability and Climate-Related Training	Disclose the initiatives undertaken and training programmes conducted annually to build capacity of Board members and management on sustainability issues including climate-related matters.	Sustainability Governance - Board and Senior Management Sustainability Engagements	39
Recommendation G5: Sustainability and Climate-related Discussions in Board Meetings	Disclose the frequency of Board meetings per year in which sustainability and climate-related issues have been a substantive agenda item, and a summary of key climate-related issues and initiatives deliberated.	Sustainability Governance - Board and Senior Management Sustainability Engagements	39
Recommendation G6: Sustainability/Climate-linked Remuneration	Link Board of Director (excluding independent directors) and top management remuneration to performance against specified sustainability and climate-related targets.	Sustainability Governance - Board and Senior Management Sustainability Experience and KPI	41
Recommendation G7: Separate Committee on Sustainability and Climate-related Matters	Set up a separate committee to oversee sustainability-related matters, reporting to the Board of Directors for all sustainability and climate-related matters.	Sustainability Governance - Roles and Responsibilities	38
Strategy			
Recommendation S1: Identification of Climate-related Risks and Opportunities	Review the financial institution's strategy to identify and disclose climate-related risks and opportunities over the short-, medium-, and long- term.	Building Climate Resilience - Identifying Climate Related Risks	47-49
Recommendation S2: Impact of Climate-related Risks and Opportunities	Assess and disclose how climate-associated risks and opportunities could affect the financial institution's existing businesses, strategy, and financial planning.	Our Approach to Sustainability - Managing Trade-Offs	37
		Building Climate Resilience - Identifying Climate Related Risks	47-49
Recommendation S3: Strategy and Risk Appetite on Climate Change Related Risks and Sustainability Measures	Disclose strategy and appetite with regard to climate-related risks and opportunities, and the measures towards sustainability in the financial institution's business activities.	Building Climate Resilience - Climate Strategy	46
		Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	50
Recommendation S4: Scenario Analysis as an Opportunity to Improve Strategic Resilience and Explore Climate Vulnerabilities	Perform climate-related scenario analysis to assess potential business implications of climate-related risks and opportunities over time and under different conditions as well as related strategy to manage these.	Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
Risk Management			
Recommendation R1: Process for Identifying and Assessing Climate-related Risks	Disclose how the financial institution looks at existing and emerging regulatory requirements related to climate change and other relevant factors.	Reporting Frameworks	26
	Disclose the risk classification framework(s) used.	Our Approach to Sustainability - Sustainability Risk Assessments	43
	Disclose the risk terminology definitions used or existing risk classification framework(s) used.		
Recommendation R2: Process for Managing-Climate related Risks	Disclose the financial institution's risk management processes and controls.	Sustainability Governance - Sustainable Risk Management	41
	Disclose the identities of individual(s)/function(s) responsible for oversight of climate-related risks and its relationship with the business operations.	Sustainability Governance - Roles and Responsibilities	38
Recommendation R3: Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management.	Disclose the integration of processes for identifying, assessing, and managing climate-related risks into overall risk management.	Building Climate Resilience - Identifying Climate Related Risks	47-50
		Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
		Building Climate Resilience - Assessing Our Climate Risk Exposure	52-53

TCFD CONTENT INDEX

TCFD RECOMMENDATIONS	TCFD REQUIREMENT	REFERENCE	PAGE
Risk Management (continued)			
Recommendation R4: Process for Identifying and Assessing Climate-related Risks	Disclose the financial institution's risk management processes used to identify and assess climate-related risks.	Building Climate Resilience - Identifying Climate Related Risks	47-50
	Disclose the financial institution's climate-related risks and their significance within existing risk categories such as credit, market, operational, liquidity risk.		
	Disclose the financial institution's processes for assessing the potential size and scope of identified climate-related risks.	Building Climate Resilience - Identifying Climate Related Risks (Refer to the disclosure on Climate Risk Materiality Assessment on Portfolio)	50
		Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	51
	Disclose key sectors in the financial institution's portfolio that are identified as being highly exposed to climate risk.	Building Climate Resilience - Assessing Our Climate Risk Exposure	52
	Set out the financial institution's risk management controls or actions in managing impacts from direct climate-related risks (i.e. through own operations).	Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	51
Recommendation R5: Process for Managing Climate-related Risks	Disclose the financial institution's processes for managing climate-related risks including decisions to mitigate, transfer, accept, or control those risks.	Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	51
	Disclose improvements planned/completed by the financial institution to enhance capabilities and incorporate climate-related risks into existing risk management framework.	Building Climate Resilience - Identifying Climate Related Risks	47-49
	Conduct training and employee readiness planning as well as programmes.	Sustainability Governance - Board Sustainability Training	39
		Fostering a Sustainability Driven Culture - Building ESG Capacity	77
	Disclose how the financial institution's customers are engaged and helped in mitigating climate-related risks.	Our Approach to Sustainability - Sustainability Driven Stakeholder Engagements	30
	Use metrics and targets to monitor progress in managing climate-related risks (i.e. exposure to, and quantification of, risk types by business segment and jurisdiction).	Building Climate Resilience - Assessing Our Climate Risk Exposure	52
	Set out the financial institution's risk management controls or actions in managing impacts from indirect climate-related risks (i.e. through activities of its clients).	Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	51
		Building Climate Resilience - Sustainable Investments and Products	55
		Managing Our Environmental Footprint - Monitoring Our Financed Emissions	59
	Disclose the financial institution's exposure to, and quantification of, sustainable financing.	Sustainability Highlights - FY2025 Sustainability-Linked Products, Services and Engagements	28
		Building Climate Resilience - Sustainable Investments and Products	55
Recommendation R6: Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management.	Disclose how the financial institution has integrated climate-related risks into existing risk categories such as credit, market, operational, insurance and liquidity risks.	Building Climate Resilience - Identifying Climate Related Risks	47-49
	Disclose how the financial institution has integrated climate-related risks into existing risk framework(s) and/or directly into credit and investment decision-making (e.g. lending policies, underwriting standards, risk ratings, pricing models).	Sustainability Governance - Sustainable Risk Management	41
		Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	51
	Disclose the financial institution's exposure to physical and transition risks within its operations and business model, including concentrations of risk at portfolio and transaction levels, and by geographical footprint.	Building Climate Resilience - Assessing Our Climate Risk Exposure	52-53
	Disclose the financial institution's efforts in supporting clients through mitigating climate-related risks via sustainable finance solutions.	Building Climate Resilience - Sustainable Investments and Products	55-56
	Implement policies that restrict/divest from high-risk exposures and in line with international commitments/frameworks.	Sustainability Governance - Sustainability Risk Assessments	43
	Enhance the financial institution's climate risk management framework to be more predictive.	Building Climate Resilience - Integrating Quantitative Climate Risk Metrics	51

TCFD CONTENT INDEX

TCFD RECOMMENDATIONS	TCFD REQUIREMENT	REFERENCE	PAGE
Metrics & Targets			
Recommendation M1: Key Climate-related Metrics	Recommendation M1a - GHG Emissions Historical and current GHG Emissions (Example unit of measure - MT of CO ₂ e).	Managing our Environmental Footprint - Monitoring Our Financed Emissions	59
	1. Absolute Scope 1 GHG Emissions. 2. Absolute Scope 2 GHG Emissions. 3. Absolute Scope 3 GHG Emissions (at minimum on business travel and employee commuting).	Managing our Environmental Footprint - Monitoring Our Operational GHG Emissions	60
	Recommendation M1b - Transition Risks Amount and extent of assets or business activities vulnerable to transition risks .	Bulding Climate Resilience - Assessing Our Climate Risk Exposure	51-52
	Recommendation M1c - Physical Risks Amount and extent of assets or business activities vulnerable to physical risks.	Bulding Climate Resilience - Assessing Our Climate Risk Exposure	51-52
	Recommendation M1d - Climate-Related Opportunities Proportion of revenue, assets or other business activities (financing & investment) aligned with climate-related opportunities.	Building Climate Resilience - Sustainable Investments and Products	55-56
	Recommendation M1e - Client Engagement Client engagements on climate-related risks and opportunities.	Our Approach to Sustainability - Sustainability Driven Stakeholder Engagements	30
	Recommendation M1f - Capital Deployment Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities.	Building Climate Resilience - Sustainable Investments and Products	55-56
	Recommendation M1g - Remuneration Proportion of director and/or senior management remuneration linked to sustainability considerations (Example unit of measure - Percentage, weighting, description, or amount in reporting currency).	Sustainability Governance - Board and Senior Management Sustainability Experience and KPI	41
Recommendation M2: Key Climate-related Targets	Recommendation M2: Key Climate-related Targets.	Addressing Climate Change - Our Climate Targets and Ambitions	45
Recommendation M3: Key Climate-related Metrics	Recommendation M3a - GHG Emissions Historical, current and future GHG Emissions. 1. Absolute Scope 3 GHG Emissions. 2. Financed/Insured Emissions by Asset Class. 3. Weighted Average Carbon Intensity-Portfolio Exposure to Carbon-Intensive Companies. 4. Physical Emissions Intensity - Volume of Carbon Emissions Per Unit of Production or Physical Output. 5. Economic Emissions Intensity - Volume of Carbon Emissions Per RM of Revenue.	Managing our Environmental Footprint - Monitoring Our Financed Emissions	59
	Recommendation M3b - Transition Risks Amount and extent of assets or business activities vulnerable to transition risks.	Bulding Climate Resilience - Assessing Our Climate Risk Exposure	52-53
	Recommendation M3c - Physical Risks Amount and extent of assets or business activities vulnerable to physical risks.	Bulding Climate Resilience - Assessing Our Climate Risk Exposure	52-53
	Recommendation M3d - Climate-Related Opportunities Proportion of revenue, assets or other business activities (financing & investment) aligned with climate-related opportunities (Example unit of measure - Amount or percentage).	Building Climate Resilience - Sustainable Investments and Products	55-56
	Recommendation M3e - Portfolio Alignment Forward-looking assessments of the convergence between the emissions profile of a portfolio, and the sectoral decarbonization trajectory necessary to achieve climate goals.	Addressing Climate Change - Our Climate Targets and Ambition	45
		Addressing Climate Change - Climate Strategy	45-46
	Recommendation M3f - Client Engagement Client engagements on climate-related risks and opportunities (Example unit of measure - Amount or percentage).	Our Approach to Sustainability - Sustainability Driven Stakeholder Engagements	30
	Recommendation M3g - Internal Carbon Prices Price on each ton of GHG emissions used internally by an organisation (Example unit of measure - Price in reporting currency, per MT of CO ₂ e).	Bulding Climate Resilience - Integrating Quantitative Climate Risk Metrics	51
	Recommendation M3h - Performance Impact of climate-related risks or opportunities on financial performance.	Bulding Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
		Building Climate Resilience - Sustainable Investments and Products	55-56
		Bulding Climate Resilience - Integrating Quantitative Climate Risk Metrics	50-51
	Recommendation M3i - Financial Position Impact of climate-related risks or opportunities on financial position.	Bulding Climate Resilience - Assessing Our Climate Risk Exposure	52-53
		Building Climate Resilience - Sustainable Investments and Products	55-56

METHODOLOGY APPENDIX

OPERATIONAL GHG EMISSIONS

1. We use the operational control approach based on GHG Protocol for our GHG Emissions Accounting.
2. Scope 1, 2 and 3 emissions category and boundaries are:
 - Scope 1: We calculate our emissions based on fuel combustion from generators located in Malaysia, vehicles owned or operated in Malaysia, as well as air-conditioning systems in our offices in Malaysia. For fugitive emissions, assumptions were applied for FY2025 for Malaysia, where emissions were averaged to ensure consistency in reporting.
 - Scope 2: We calculate our emissions based on purchased electricity (location-based) for all our operations in Malaysia.
 - Scope 3: We calculate our emissions from business travel via employee claims, covering travel by road, flight and train across Malaysia. The figure presented also includes emissions from employee commuting across Malaysia, whereby the data calculated for FY2025 is based on a sample size of 468 staff.
3. The GHGs emitted by HLCB are Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and Hydrofluorocarbons (HFCs) which are converted to CO₂ equivalent according to the terms set in 2021 IPCC Sixth Assessment Report.

FINANCED EMISSIONS

$$\text{Financed emissions} = \sum_c \text{Attribution factor}_c \times \text{Company emissions}_c$$

where c = borrower or investee company

1. Estimated financed emissions disclosed reflect our portfolios related to and Corporate Bonds as of 30 June 2025.
2. Emissions and outstanding balances are derived from on-balance sheet investments. Operational markets for financed emissions are limited to Malaysia at this juncture, given the materiality of operations to the Group.
3. Emissions removals, avoided and facilitated emissions are not reported due to limited data availability and quality.
4. For Corporate bonds, assets with less than one year to maturity, per PCAF standard have been excluded.
5. The methodologies and data applied are subject to ongoing improvements in industry guidance, market practices and regulation and may be revised as new information becomes available.

SIRIM INDEPENDENT ASSURANCE STATEMENT



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Hong Leong Capital Berhad (hereafter referred to as HLCB) to perform an independent verification and provide assurance of HLCB Sustainability Statement FY2025. The main objective of the verification process is to provide assurance to HLCB and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to all sustainability performance information (subject matter) within the assurance scope which is included in HLCB Sustainability Statement FY2025.

The management of HLCB was responsible for the preparation of the Sustainability Statement FY2025. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the HLCB Sustainability Statement and the Annual Report 2025.

The assurance engagement was designed to provide limited assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of material matters as presented in the Sustainability Statement within the sustainability framework pillars as follows i.e., Impactful Digitalisation, Addressing Climate Change, Strengthening Internal Capabilities, and Engaging on Sustainability. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1, Appendix 2 and the Report to Management, with further details provided therein.

The verification was carried out by SIRIM QAS International from August to September 2025, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation made available during the assessment.
- Verification of the data presented in the Sustainability Statement, which includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and developing various sections of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in HLCB's Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.

SIRIM INDEPENDENT ASSURANCE STATEMENT

- As part of this assurance engagement, the verification team visited the corporate office at Hong Leong Tower, Bukit Damansara. However, the verification process did not include physical inspections of any of HLCB's operations and assets.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of HLCB relating to the accuracy of some of the information contained in the statement. In response to the findings, the Sustainability Statement was subsequently reviewed and revised by HLCB. It is confirmed that changes that have been incorporated into the final version of the statement have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in HLCB Sustainability Statement FY2025, is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the statement was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement;
- The Sustainability Statement FY2025 offers a reasonable and balanced presentation of Hong Leong Capital Berhad sustainability performance.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Hazwani Yob	:	Team Member
3)	Ms. Aine Jamaliah Mohamad Zain	:	Team Member
4)	Ms. Farhanah Ahmad Shah	:	Team Member
5)	Ms. Kamini Sooriamorthy	:	Team Member

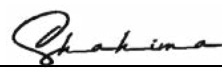
Statement Prepared by:

Statement Approved by:


AERNIDA BINTI ABDUL KADIR

Team Leader
 Management System Certification Department
 SIRIM QAS International Sdn. Bhd.

Date: 4 September 2025


WAN SHAHIMA BINTI MIOR AHMED SHAHIMI

General Manager
 Management System Certification Department
 SIRIM QAS International Sdn. Bhd.

Date: 9 September 2025

Note: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (4 September 2025).

SIRIM INDEPENDENT ASSURANCE STATEMENT

Appendix 1: Performance Data Table - BURSA Malaysia Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Supervisory	Percentage	100.00
Non-Supervisory	Percentage	23.10
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	45,595
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,053
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Managerial Under 30	Percentage	0.00
Senior Managerial Between 30-50	Percentage	47.20
Senior Managerial Above 50	Percentage	52.80
Managerial Under 30	Percentage	4.20
Managerial Between 30-50	Percentage	75.00
Managerial Above 50	Percentage	20.80
Supervisory Under 30	Percentage	53.40
Supervisory Between 30-50	Percentage	31.40
Supervisory Above 50	Percentage	15.20
Non-Supervisory Under 30	Percentage	7.70
Non-Supervisory Between 30-50	Percentage	53.80
Non-Supervisory Above 50	Percentage	38.50
Gender Group by Employee Category		
Senior Managerial Male	Percentage	69.80
Senior Managerial Female	Percentage	30.20
Managerial Male	Percentage	43.50
Managerial Female	Percentage	56.50
Supervisory Male	Percentage	40.10
Supervisory Female	Percentage	59.90
Non-Supervisory Male	Percentage	84.60
Non-Supervisory Female	Percentage	15.40
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	40.00
Female	Percentage	60.00
Under 60	Percentage	0.00
Between 60-70	Percentage	100.00
Above 70	Percentage	0.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	MWh	839.33
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	220
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Supervisory	Hours	11,534.75
Non-Supervisory	Hours	61.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Managerial	Number	9
Managerial	Number	16
Supervisory	Number	69
Non-Supervisory	Number	3
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.76
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	5.97
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4.97

SIRIM INDEPENDENT ASSURANCE STATEMENT

Appendix 2: The subject matter covered in this assessment are tabulated below.	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
OUR APPROACH TO SUSTAINABILITY				
Sustainability Framework				
Sustainability Governance				
Sustainability Risk Assessments				
ADDRESSING CLIMATE CHANGE				
Our Climate Targets and Ambitions				
Building Climate Resilience				
Leveraging Climate Opportunities				
Monitoring Our Environmental Footprint – fuel, energy, water & waste consumption				
IMPACTFUL DIGITALISATION				
Digitalisation and Innovation				
Client Experience				
Privacy, Data Protection & Cybersecurity				
STRENGTHENING INTERNAL CAPABILITIES				
Talent Attraction, Development & Retention				
↳ Total hours of training by employee category				
Diverse & Inclusive Workforce				
↳ Employees by gender and age group, for each employee category				
↳ Total number of employee turnover by employee category				
Creating a Fair and Nurturing Workplace				
Fostering a Sustainability-Driven Culture				
ENGAGING ON SUSTAINABILITY				
Good Governance & Ethical Business Conduct				
↳ Employees who have received training on anti-corruption by employee category				
Fair Treatment of Financial Consumers				
Human & Labour Rights				
Sustainable Supply Chain				
Financial Inclusion & Literacy				
Supporting Social Enterprises and Communities				

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (4 September 2025).

Note 2:

The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3:

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in the Management Report.

HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.

LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

CORPORATE INFORMATION

DIRECTORS

Tan Kong Khoon (Chairman)

Lee Jim Leng

Tai Siew Moi

Leong Ket Ti

Peter Ho Kok Wai

GROUP COMPANY SECRETARY

Jack Lee Tiong Jie
MAICSA 7060133
SSM PC No. 202008001704

AUDITORS

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146)
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur
Tel : 03-2173 1188
Fax : 03-2173 1288

REGISTRAR

Hong Leong Share Registration Services Sdn Bhd
Level 25, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2088 8818
Fax : 03-2088 8990
Email : hlsrs@hongleong.com

REGISTERED OFFICE

Level 30, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2080 9888
Fax : 03-2080 9801
Email : cosec-hlfg@hongleong.com.my

WEBSITE

www.hlcap.com.my

AWARDS & ACCOLADES

HONG LEONG INVESTMENT BANK BERHAD

The Asset Triple A : Islamic Finance Awards 2024

Best Sukuk
Financial Institutions

Organised by **The Asset**

The Asset Triple A : Islamic Finance Awards 2025

Best Sukuk
Consumer Services

Organised by **The Asset**

The Asset Triple A : Islamic Finance Awards 2025

Best New Sukuk
Plantation

Organised by **The Asset**

The Asset Triple A : Islamic Finance Awards 2025

Best Securitisation Sukuk

Organised by **The Asset**

FinanceAsia Achievement Awards 2024

**Deal Awards (APAC) |
Best Bond Deal**
(Southeast Asia
Highly commended)

Organised by **FinanceAsia**

FinanceAsia Achievement Awards 2024

**Deal Awards (APAC) |
Best Bond Deal**
(Malaysia Winner)

Organised by **FinanceAsia**

18th Annual Best Deal & Solution Awards 2024

**Best Wakalah Sukuk
in S.E.A & Best Sukuk Deal**
of the Year 2024

Organised by **Alpha Southeast Asia**

18th Annual Best Deal & Solution Awards 2024

**Best Local Currency
Bond Deal of the Year in**
Malaysia 2024

Organised by **Alpha Southeast Asia**

RAM League Awards 2024

**Corporate Bonds Issued by
Number of Issues**
4th ranking

Organised by **RAM Ratings**

RAM League Awards 2024

**Sukuk Issued by Number
of Issues**
4th ranking

Organised by **RAM Ratings**

MARC Lead Managers' League Table Awards 2024

**Top Capital Market
Performers on Issue Count
(Islamic)**
2nd runner up

Organised by **Malaysian Rating
Corporation Berhad**

Bursa Excellence Awards 2024

**Best Retail Equities
Participating Organisation
- Investment Bank**
2nd runner up

Organised by **Bursa Malaysia**

Highest Number of New Accounts Opened (Conventional New Accounts)

Retail Investor Campaign
Sales Force Awards 2024

Organised by **Bursa Malaysia**

Highest Traded Value for New Accounts - Coventional Category

Retail Investor Campaign
Sales Force Awards 2024

Organised by **Bursa Malaysia**

Highest Re-activation of Untraded Accounts

Retail Investor Campaign
Sales Force Awards 2024

Organised by **Bursa Malaysia**

Highest Traded Value for ETFs

Retail Investor Campaign
Sales Force Awards 2024

Organised by **Bursa Malaysia**

AWARDS & ACCOLADES

HONG LEONG ASSET MANAGEMENT BHD

**LSEG Lipper Fund Awards Malaysia 2025
- Hong Leong Dividend Fund**

Best Equity Malaysia Income
Malaysia Provident Fund Over 10 Years

Organised by **LSEG Lipper**

**LSEG Lipper Fund Awards Malaysia 2025
- Hong Leong Consumer Products Sector Fund**

Best Equity Sector Consumer Discretionary
Malaysia Fund Over 3 Years

Organised by **LSEG Lipper**

BOARD OF DIRECTORS' PROFILE

TAN KONG KHOON

**Chairman/
Non-Executive/Non-Independent**

68 years old | Singaporean | Male

Mr Tan Kong Khoon holds a Bachelor of Business Administration degree from Bishop's University, Canada and is an alumnus of the Harvard Business School Advanced Management Program. He is a Chartered Banker of the Asian Institute of Chartered Bankers ("AICB").

Mr Tan is the President & Chief Executive Officer of Hong Leong Financial Group Berhad ("HLFG"). He was the Group Managing Director/Chief Executive Officer of Hong Leong Bank Berhad ("HLB") from 1 July 2013 to 4 February 2016. Prior to joining HLB, Mr Tan was the Group Executive, Consumer Banking Group of DBS Bank Ltd ("DBS") from 1 December 2010 to 15 April 2013 where he led and managed strategy formulation and execution for consumer banking globally across the DBS Group.

Mr Tan began his banking career with DBS in 1981. Since then, he has successfully built consumer banking franchises across multiple markets in Asia for Citibank, Standard Chartered Bank and ANZ Bank.

From March 2007 to December 2009, Mr Tan was the President and Chief Executive Officer of Bank of Ayudhya, the fifth largest financial group in Thailand listed on the Thailand Stock Exchange. The group businesses included commercial and investment banking, life and non-life insurance, stockbroking, asset management and consumer finance subsidiaries.

Mr Tan was appointed to the Board of Directors ("Board") of Hong Leong Capital Berhad ("HLCB") on 24 February 2016. He is presently the Chairman of HLCB.

Mr Tan is a Director of HLFG and HLB, both companies listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and a Director of Hong Leong Assurance Berhad and Hong Leong Investment Bank Berhad ("HLIB"), both public companies. He is also the Chairman of Hong Leong Bank (Cambodia) PLC and a member of the Board of Controllers of Hong Leong Bank Vietnam Limited.

LEE JIM LENG

**Non-Executive Director/
Non-Independent**

62 years old | Malaysian | Female

Ms Lee Jim Leng obtained a Bachelor of Business Administration degree in 1984 from the Acadia University, Canada and a Master of Business Administration in 1987 from the Dalhousie University, Canada. She is a Fellow Chartered Banker with the AICB.

Ms Lee joined Hong Leong Investment Bank Berhad ("HLIB") on 9 September 2009 and is presently the Group Managing Director/Chief Executive Officer of HLIB.

Ms Lee has more than 20 years of experience in the financial industry, specialising mainly in investment banking. Prior to joining HLIB, she was the Managing Director of HwangDBS Investment Bank, where she was instrumental in developing the bank's investment banking business in Malaysia. From 1999 to 2007, she was attached to UOB Malaysia and was tasked to spearhead their investment banking division in Malaysia and the ASEAN region and led the debt capital markets division at Schroders Malaysia for five years.

Ms Lee was appointed to the Board of HLCB on 17 September 2021.

Ms Lee is the Chairman of Hong Leong Asset Management Bhd, a public company. She is also the Council Chairman of the Malaysian Investment Banking Association (MIBA), a Council Member of AICB and a Board member of Asian Banking School Sdn Bhd. Additionally, she is a member of the Securities Industries Development Corporation's Curriculum Review Committee and an investED Steering Committee member for the Capital Market Graduate Programme.

BOARD OF DIRECTORS' PROFILE

TAI SIEW MOI**Non-Executive Director/
Independent**

67 years old | Malaysian | Female

Ms Tai Siew Moi graduated from University of Malaya with a Bachelor of Accounting Degree and holds a Masters Degree in Business Administration from Cranfield, United Kingdom. She is a Chartered Accountant registered with the Malaysian Institute of Accountants.

Ms Tai has 18 years experience in the derivatives broking industry. She held the position of Executive Director of the derivatives broking subsidiary of Hwang-DBS Group from 2006 to 2015. Thereafter, she held the position of Executive Vice President, Futures, heading the derivatives broking business of Affin Hwang Investment Bank Berhad till 2016.

Prior to joining Hwang-DBS Group, she held various management positions in the area of corporate affairs and corporate services with a few companies including public listed companies, handling corporate exercise like mergers and acquisitions, initial public offerings, rights issues, bonds and warrants issue. Prior to that, she was attached to a management consultants firm doing consultancy work which included project feasibility studies, accounting and internal control systems review. Earlier on in her career, she was attached with the Accountant General's Department of Malaysia as a Treasury Accountant.

Ms Tai was appointed to the Board of HLCB on 18 September 2017. She is the Chairman of the Nomination and Remuneration Committee ("NRC") and a member of the Board Audit and Risk Management Committee ("BARMC") of HLCB.

Ms Tai is a member of the Market Participants Committee of Bursa Malaysia Berhad.

LEONG KET TI**Non-Executive Director/
Independent**

62 years old | Malaysian | Female

Ms Leong Ket Ti graduated from University of Cambridge, England with a Bachelor of Arts (Hons) Cantab and holds a Degree in Economics.

Ms Leong has 28 years of experience in the banking industry, having been with JP Morgan Chase Bank Berhad ("JPMorgan") from February 1990 to January 2018 where she held various senior positions, the last being the Executive Director ("ED"), Malaysia Country Credit Officer from 2011 to 2018. As the ED, Malaysia Country Credit Officer of JPMorgan, she was responsible for a diverse portfolio of over 300 obligors across all businesses and industries. She also had a strong oversight role on regulatory issues and worked closely with the business/product partners in developing solutions to meet clients' needs.

Prior to her position as ED, Malaysia Country Credit Officer, Ms Leong was Vice President/ED, Leveraged Finance, Regional Client Credit Management of JPMorgan from 2005 to 2010 where she worked with their Investment Bank and Debt Capital Markets teams to structure and underwrite financing transactions.

From 2002 to 2005, Ms Leong served as Vice President & General Manager of JPMorgan Chase at Labuan, and from 2001 to 2002, she was the Vice President of Corporate Banking of JPMorgan Malaysia.

Ms Leong was appointed to the Board of HLCB on 15 November 2018. She is currently a member of the BARMC and NRC of HLCB.

Ms Leong is also a Director of HLFGL, a company listed on the Main Market of Bursa Securities.

BOARD OF DIRECTORS' PROFILE

PETER HO KOK WAI

**Non-Executive Director/
Independent**

66 years old

Malaysian

Male

Mr Peter Ho Kok Wai is a Chartered Accountant and a member of the Malaysian Institute of Accountants, Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

Mr Peter Ho forged his early career with Everett Pinto & Co., a central London Firm of Chartered Accountants, and qualified as a Chartered Accountant in 1984. Subsequently, in 1987, Mr Peter Ho joined KPMG, Kuala Lumpur ("KPMG KL"), where he progressed to Head of Department in 1992. He was transferred to KPMG, Ipoh in 1993 to head the branch and was admitted as Partner in 1995. He was transferred back to KPMG KL in 2005 where he variously headed the Technical Committee, Audit Function and Marketing Department. He has more than 27 years of auditing experience in a wide range of companies including public listed companies and multinationals, with particular emphasis in manufacturing, distribution and financial services. Mr Peter Ho retired from KPMG in December 2014.

Mr Peter Ho was appointed to the Board of HLCB on 20 December 2018. He is currently the Chairman of the BARMC and a member of the NRC of HLCB.

Mr Peter Ho is an Independent Director of Allianz Malaysia Berhad, PMB Technology Berhad and Hengyuan Refining Company Berhad, companies listed on the Main Market of Bursa Securities. He is also an Independent Director of Allianz Life Insurance Malaysia Berhad, a Board of Trustee of Malaysian Skin Foundation, both public companies, and serves as an Independent Director on the Board of First Resources Limited, a company listed on the Singapore Exchange Limited.

Notes:

- Family Relationship with Director and/or Major Shareholder**
None of the Directors has any family relationship with any other Director and/or major shareholder of HLCB.
- Conflict of Interest/Potential Conflict of Interest**
None of the Directors has any conflict of interest or potential conflict of interest, including any interest in any competing business with HLCB and its subsidiaries.
- Conviction of Offences**
None of the Directors has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.
- Attendance of Directors**
Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview, Risk Management & Internal Control Statement in this Annual Report.

KEY SENIOR MANAGEMENT OF THE GROUP

LEE JIM LENG

**Group Managing Director/Chief Executive Officer,
Hong Leong Investment Bank Berhad (“HLIB”),
a wholly-owned subsidiary of HLCB**

62 years old	Malaysian	Female
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Ms Lee Jim Leng obtained a Bachelor of Business Administration degree in 1984 from the Acadia University, Canada and a Master of Business Administration in 1987 from the Dalhousie University, Canada. She is a Fellow Chartered Banker with the Asian Institute of Chartered Bankers (“AICB”).

Ms Lee joined HLIB on 9 September 2009 and is presently the Group Managing Director/Chief Executive Officer of HLIB.

Ms Lee has more than 20 years of experience in the financial industry, specialising mainly in investment banking. Prior to joining HLIB, she was the Managing Director of HwangDBS Investment Bank, where she was instrumental in developing the bank’s investment banking business in Malaysia. From 1999 to 2007, she was attached to UOB Malaysia and was tasked to spearhead their investment banking division in Malaysia and the ASEAN region and led the debt capital markets division at Schroders Malaysia for five years.

Ms Lee is a Director of HLCB and the Chairman of Hong Leong Asset Management Bhd (“HLAM”), a public company. She is also the Council Chairman of the Malaysian Investment Banking Association (MIBA), a Council Member of AICB and a Board member of Asian Banking School Sdn Bhd. Additionally, she is a member of the Securities Industries Development Corporation’s Curriculum Review Committee and an investED Steering Committee member for the Capital Market Graduate Programme.

SAN KAH YEE

**Chief Financial Officer, HLIB,
a wholly-owned subsidiary of HLCB**

52 years old	Malaysian	Female
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Ms San Kah Yee is a Chartered Accountant and a member of Malaysia Institute of Accountants (MIA).

Ms San joined HLCB as the Finance Manager on 17 September 2010. She was transferred to HLIB in August 2017. She was appointed as Chief Financial Officer of HLIB on 1 October 2024.

Ms San has more than 20 years of experience in Finance. She is well versed with various key financial functions and business functions. Prior to joining HLCB, she was the Finance Manager in Public Investment Bank Bhd. Prior to that, she was with ECM Libra Investment Bank Bhd, Affin Investment Bank Berhad, AEON Credit Service (M) Sdn Bhd, AmSecurities Sdn Bhd and Wijaya Baru Global Bhd.

KEY SENIOR MANAGEMENT OF THE GROUP

CHONG POH CHOON

Executive Vice President, Head of Treasury & Markets, HLIB, a wholly-owned subsidiary of HLCB

47 years old

Malaysian

Male

Mr Chong Poh Choon holds a Bachelor of Business Administration (Hons) majoring in Finance; graduating with a first class honours from the Multimedia University. He also procured his Chartered Financial Analyst (CFA) and Chartered Financial Planner (CFP) qualifications in year 2005 and 2014 respectively.

Mr Chong joined HLIB on 16 September 2009 as Senior Vice President, Treasury & Markets. He was appointed as Executive Vice President, Head of Treasury & Markets on 1 May 2022.

Mr Chong has extensive experience in the banking and financial sectors, with 20 years across a gamut of institutions such as Ernst & Young, Malaysian Rating Corporation Berhad, United Overseas Bank (M) Berhad and HwangDBS Investment Bank Berhad (now known as Affin Hwang Investment Bank Berhad). He was the pioneering member in setting up the Treasury & Markets business for HLIB and HwangDBS Investment Bank Berhad.

LING YUEN CHENG

Executive Vice President, Head of Debt Markets, HLIB, a wholly-owned subsidiary of HLCB

57 years old

Malaysian

Male

Mr Ling Yuen Cheng holds a Master of Applied Finance and Bachelor of Economics (Accounting & Finance) from the Macquarie University, Sydney, Australia. He also procured his Chartered Financial Analyst (CFA) qualification in year 2001.

Mr Ling joined HLIB on 16 September 2009 as Co-Head of Debt Markets and was re-designated as Executive Vice President, Head of Debt Markets since 1 May 2022.

Mr Ling has over 20 years of working experience in the banking industry. Prior to joining HLIB in September 2009, he was the Co-Head of Debt Markets in HwangDBS Investment Bank Berhad (now known as Affin Hwang Investment Bank Berhad). Prior to that, he was with United Overseas Bank (M) Berhad, OCBC Bank (Malaysia) Berhad, Kien Huat Realty Sdn Bhd and Southern Bank Berhad. Over his entire banking career, he was exposed to various areas including treasury operations, risk management, corporate banking, assets & liabilities management and investment banking related activities including debt origination, execution and placement.

KEY SENIOR MANAGEMENT OF THE GROUP

PHANG SIEW LOONG

**Executive Vice President, Head of Equity Markets, HLIB,
a wholly-owned subsidiary of HLCB**

57 years old

Malaysian

Male

Mr Phang Siew Loong holds a Master of Business Administration from the Georgia State University, United States and a Bachelor of Science in Economics from the University of Louisiana in Lafayette, United States (formerly known as University of Southwestern Louisiana).

Mr Phang joined HLIB on 11 October 2010 as Co-Head of Equity Markets. Mr Phang was re-designated as Executive Vice President, Head of Equity Markets since 1 May 2022.

Prior to HLIB, Mr Phang was with Public Investment Bank Berhad for almost 10 years, his last position being the Head of Corporate Finance. Prior to that, he was with Affin Merchant Bank Berhad and Sime Merchant Bankers Berhad.

TAN JEE KHIEH

**Head of Broking, HLIB,
a wholly-owned subsidiary of HLCB**

54 years old

Malaysian

Male

Mr Tan Jee Khien holds a Bachelor of Science in Business Administration (Finance and Banking) from the University of Missouri, Columbia, Missouri, USA.

Mr Tan joined HLIB on 1 January 2024 as the Head of Broking, bringing with him over 30 years of experience in the capital markets, with a specialisation in Malaysian equities. Prior to joining HLIB, he served as the Management Advisor/Chief Executive Officer at Apex Securities Berhad. His career also includes key roles at Kenanga Investment Bank Berhad, JPMorgan Securities (Malaysia) Sdn Bhd, Maybank Kim Eng Securities (Singapore) Pte Ltd and Maybank Investment Bank Berhad.

Throughout his career, he has gained extensive experience in both the dealing and operational aspects of the stockbroking industry.

KEY SENIOR MANAGEMENT OF THE GROUP

CHUE KWOK YAN

**Executive Director/Chief Executive Officer, HLAM,
a wholly-owned subsidiary of HLCB**

48 years old

Malaysian

Male

Mr Chue Kwok Yan holds a Bachelor of Engineering in Electrical and Electronic Engineering from Imperial College, University of London, England.

Mr Chue joined HLAM on 15 July 2024 and was appointed as Executive Director/Chief Executive Officer of HLAM on 11 September 2024.

Mr Chue has more than 24 years of extensive investment management experience in equity and fixed income investment. Prior to joining HLAM, he was the Chief Executive Officer and Chief Investment Officer of KAF Investment Funds Bhd. He was responsible for the firm's day-to-day portfolio management of funds, preparation of in-house investment strategies and overseeing the marketing, sales, finance, operations, and compliance functions. Prior to that, he was with Affin Hwang Capital as Executive Vice President and Head of Research, KAF Research Sdn Bhd as Deputy Head of Research, CLSA Securities Malaysia as Senior Investment Analyst, and ABN AMRO Asia Equity Research as Junior Investment Analyst.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
None of the Key Senior Management has any family relationship with any Director and/or major shareholder of HLCB.
2. **Conflict of Interest/Potential Conflict of Interest**
None of the Key Senior Management has any conflict of interest or potential conflict of interest, including any interest in any competing business with HLCB and its subsidiaries.
3. **Conviction of Offences**
None of the Key Senior Management has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Board Audit Committee of Hong Leong Capital Berhad (“HLCB” or “the Company”) had been established since 23 March 1994 and had been re-designated as the Board Audit and Risk Management Committee (“BARMC”) on 29 August 2001.

COMPOSITION

MR PETER HO KOK WAI

(Chairman, Independent Non-Executive Director)

MS TAI SIEW MOI

(Independent Non-Executive Director)

MS LEONG KET TI

(Independent Non-Executive Director)

SECRETARY

The Secretary(ies) to the BARMC are the Company Secretary(ies) of the Company.

TERMS OF REFERENCE

The terms of reference of the BARMC are published on the Company’s website at www.hlcap.com.my.

AUTHORITY

The BARMC is authorised by the Board to:

1. review any activity of the Group within its Terms of Reference.
2. seek any information it requires from any Director or member of Senior Management and in this respect, all employees are directed to co-operate with any request made by the BARMC, including but not limited to providing the BARMC with sufficient support and resources required to investigate any matter within the mandates of the BARMC; and
3. obtain independent legal or other professional advice as it considers necessary.

The Board remains fully accountable for any authority delegated to the BARMC.

MEETINGS

The BARMC meets at least four (4) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the interim financial reports and annual financial statements are held prior to such interim financial reports and annual financial statements being presented to the Board for approval.

The Chief Executive Officers, Chief Risk Officer (“CRO”), Chief Compliance Officer/Head of Compliance (“CCO”), Head of Internal Audit, Chief Financial Officer, employees and external auditors may be invited to attend the BARMC meetings, whenever required. At least twice a year, the BARMC will have separate sessions with the external auditors without the presence of Senior Management.

The BARMC will also engage privately with the CCO, Head of Internal Audit and CRO on a regular basis (and in any case at least twice annually) to provide the opportunity for the CCO, Head of Internal Audit and CRO to discuss issues faced by compliance, internal audit and risk management functions.

Issues raised, discussions, deliberations, decisions and conclusions made at the BARMC meetings are recorded in the minutes of the BARMC meetings. A BARMC member who has, or potentially has, directly or indirectly, an interest in a material transaction or material arrangement or conflict of interest situation shall not be present at the BARMC meeting when the material transaction or material arrangement or conflict of interest situation is being deliberated by the BARMC.

Two (2) members of the BARMC, who shall be independent, shall constitute a quorum and the majority of members present must be independent directors. No business shall be transacted at any BARMC meeting unless a quorum is present at the commencement of the meeting and when conducting the business of the meeting.

After each BARMC meeting, the BARMC shall report and update the Board on significant issues and concerns discussed during the BARMC meetings and where appropriate, make the necessary recommendations to the Board.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

ACTIVITIES

The BARMC carried out its duties in accordance with its Terms of Reference.

During the financial year ended 30 June 2025 ("FY2025"), four (4) BARMC meetings were held and the attendance of the BARMC members were as follows:

Member	Attendance
Mr Peter Ho Kok Wai	4/4
Ms Tai Siew Moi	4/4
Ms Leong Ket Ti	4/4

HOW THE BARMC DISCHARGES THEIR RESPONSIBILITIES

FINANCIAL REPORTING

The BARMC reviewed the interim financial reports and annual financial statements of the Company and of the Group focusing particularly on:

- (i) any changes in accounting policies and practices;
- (ii) significant matters highlighted including financial reporting issues, material judgements made by management, material and unusual events or transactions, and how these matters are addressed;
- (iii) material adjustments arising from the audit;
- (iv) the going concern assumptions; and
- (v) compliance with accounting standards and other legal requirements.

The legal and regulatory environment was monitored and consideration given to changes in law, regulation, accounting policies and practices including the disclosure requirements under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa").

EXTERNAL AUDIT

The external auditors of the Group for the FY2025 is PricewaterhouseCoopers PLT ("PwC"). The BARMC discussed and reviewed with the external auditors, before the audit commenced for the financial year, the audit plan and timetable for the financial audit of the Group including the focus areas and approach to the current financial year's audit and any significant issues that can be foreseen, either as a result of the past year's experience or due to new accounting standards or other changes in statutory or listing requirement.

The BARMC reviewed the report and audit findings of the external auditors and considered management's responses to the external auditors' audit findings and investigations. The BARMC also had two (2) separate sessions with the external auditors without the presence of management whereby matters discussed included key reservations noted by the external auditors during the course of their audit; whilst the BARMC Chairman maintained regular contact with the audit partner throughout the year.

The BARMC reviewed the external audit fees and their scope of services. The fees payable to PwC for the FY2025 amounted to RM607,948, of which RM154,463 was payable in respect of non-audit services. The non-audit services accounted for 25% of the total fees payable. The BARMC assessed the objectivity and independence of the external auditors prior to the appointment of the external auditors for ad-hoc non-audit services.

The BARMC also evaluated the performance of PwC in the following areas in relation to their re-appointment as auditors for the FY2025 and considered PwC to be independent:

- (i) level of knowledge, capabilities, experience and quality of previous work;
- (ii) level of engagement with BARMC;
- (iii) ability to provide constructive observations, implications and recommendations in areas which require improvements;
- (iv) adequacy in audit coverage, effectiveness in planning and conduct of audit;
- (v) ability to perform the audit work within the agreed timeframe;
- (vi) non-audit services rendered by PwC does not impede independence;
- (vii) ability to demonstrate unbiased stance when interpreting the standards/policies adopted by HLCB; and
- (viii) risk of familiarity threat to ensure that the independence and objectivity of the external auditors was not compromised.

PwC, in accordance with professional ethical standards, have provided the BARMC with confirmation of their independence for the duration of the FY2025 and the measures used to control the quality of their work.

The BARMC has therefore recommended to the Board that PwC be re-appointed as the auditors. Resolution concerning the re-appointment of PwC will be proposed to shareholders at the 2025 Annual General Meeting.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The BARMC conducted quarterly review of the recurrent related party transactions (“RRPT”) entered into by the Group to ensure that such transactions are undertaken on commercial terms and on terms not more favourable to the related parties than those generally available to and/or from the public.

The Group had put in place procedures and processes to monitor, track and identify the RRPT as well as to ensure that the RRPT are conducted on commercial terms consistent with the Group’s usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable.

The BARMC reviewed the said procedures and processes on an annual basis and as and when required, to ensure that the said procedures are adequate to monitor, track and identify RRPT in a timely and orderly manner, and are sufficient to ensure that the RRPT will be carried out on commercial terms consistent with the Group’s usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public.

The BARMC assisted the Board in reviewing and monitoring any conflict of interest and potential conflict of interest situations within the Company, including the measures taken to resolve, eliminate or mitigate such conflicts, if any. In 2024, the BARMC endorsed and the Board approved the revised Conflict of Interest Policy of the Company, which was amended to broaden its scope to cover indirect financial interests, non-financial interests, and any competing loyalties or interests to ensure that actual and potential conflicts of interest are identified and managed effectively in line with the MMLR of Bursa.

There were no conflicts of interest or potential conflicts of interest reported in the FY2025, other than related party transactions and RRPT.

INTERNAL AUDIT

The BARMC reviews the adequacy of internal audit scope, internal audit plan and resources of the various internal audit functions within Internal Audit Department (“IAD”).

During the financial year, BARMC noted that IAD had effectively carried out internal audits on all business entities of the Group and reviewed the IAD’s reports on the audits performed on the investment banking business, stockbroking business and asset management business as set out in the Internal Audit Function section of this report.

The review of BARMC on the audit findings and recommendations of the IAD focused on the adequacy and integrity of internal control systems, business and compliance audits on the respective divisions. The management’s responses to IAD’s findings were also presented for the BARMC’s consideration.

The BARMC also reviewed at every BARMC meeting the status update of management’s corrective action plans for the resolution of internal audit’s findings and recommendations. Recommendations were made by BARMC to ensure that the root causes raised by IAD in their audit reports were effectively resolved and that any outstanding audit findings be tracked for timely resolution.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The BARMC considered reports on risk management for the purpose of overseeing and reporting to the Board, on the proper functioning of Risk Management as part of its responsibilities to monitor the Group’s compliance with the business objectives, policies, reporting standards and control procedures of the Group.

The CRO was invited to present to the BARMC the Risk Management Dashboard covering among others Credit Risk, Market Risk, Liquidity Risk, Operational Risk, IT Risk and Sustainability Risk. The BARMC also considered and reviewed the processes put in place to identify, evaluate and manage significant risks encountered by the Group as well as the adequacy and integrity of internal control systems, including risk management and relevant management information system.

COMPLIANCE

The BARMC considered reports on compliance for the purpose of overseeing and reporting to the Board on the compliance functions of the Group as part of its responsibilities to monitor the Group’s compliance with regulatory requirements and internal policies.

The CCO was invited to present to the BARMC the compliance reports and deliberations on significant compliance issues that were made.

WHISTLEBLOWING

The BARMC provided oversight on the implementation and effectiveness of the Company’s Whistleblowing Policy and Standard Operating Procedures (“Whistleblowing Policy and Procedures”), which set out an avenue and the process for directors and employees of the Company and any (legal or natural) person, including those providing services to, or having a business relationship with, the Company to raise genuine concerns about any improper conduct or wrongful act in relation to the Company, confidentially through a dedicated whistleblowing channel to the BARMC Chairman. In FY2025, the Whistleblowing Policy and Procedures of the Company were reviewed to ensure the whistleblowing procedures and communication plans in relation thereto remain effective.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUSTAINABILITY

The BARMC was apprised on the measures/improvements to improve the disclosures in HLCB's FY2025 Sustainability Statement. The BARMC considered report on HLCB becoming a member of Partnership for Carbon Accounting Financials ("PCAF"). PCAF is a financial industry-led initiative developed to help financial institutions assess and disclose the greenhouse gas ("GHG") emissions from their loans and investments (Scope 3 Category 15) through GHG accounting. Joining PCAF is timely as Scope 3 Category 15 is one of the main disclosure items in the near future under the National Sustainability Reporting Framework, which is aligned to IFRS S1 and S2.

The BARMC was updated on the completion of an in-house developed GHG Inventory Management system, which will be used to track HLCB's Scope 1, Scope 2 and Scope 3 (Category 6 & 7) emissions from FY2025 onwards. The BARMC also considered reports on environmental sustainability initiatives such as Lights-Off Initiatives and HLCB Staff Green Vehicle Financing Campaign, a joint collaboration with Hong Leong Bank, HLCB's Operational Net Zero Strategy and engagement of external consultants to provide consultancy services for the development of HLCB's Sustainability Statement as well as external assurance services.

INTERNAL AUDIT FUNCTION

The Internal Audit function is established at its subsidiary, Hong Leong Investment Bank Berhad. The provision of Internal Audit Function to Hong Leong Asset Management Bhd and its subsidiary, Hong Leong Islamic Asset Management Sdn Bhd is through their respective shared service agreements. IAD employs a risk-based assessment approach in auditing the Group's business and operational activities. All pertinent high risk activities areas (i.e. specified through regulatory requirements/internal assessment) in investment banking, stockbroking and asset management have been audited on an annual basis.

IAD provides an independent and objective assessment of Hong Leong Capital Group companies' activities, with the aim to add value as well as to improve the efficiency and effectiveness of the governance, operational processes, information systems, risk management and internal controls.

IAD utilises a risk-based, systematic and disciplined approach to evaluate and improve the effectiveness of the risk management, internal controls and governance processes and provides the BARMC with information, recommendations and reasonable assurance to assist them in the effective discharge of their responsibilities to the shareholders and stakeholders.

To this effect, the IAD function assesses the following areas:

- (i) Risks are appropriately identified and managed.
- (ii) Control environments are effective and sufficient.
- (iii) Governance processes are adequate and effective, and interaction with the various governance groups occurs as needed.
- (iv) Significant financial, managerial, and operating information is accurate, reliable, and timely.
- (v) Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- (vi) Resources are acquired economically, being used efficiently, and are adequately protected.
- (vii) Programmes, plans, and objectives are achieved.
- (viii) Quality and continuous improvement are fostered in the organisation's control process.
- (ix) Significant legislative or regulatory issues impacting the organisation are recognised and adequately addressed.
- (x) Effectiveness and robustness of stress testing procedures and practices.
- (xi) Adequacy and effectiveness in assessing the entity's capital in relation to its estimation of risk.
- (xii) Compliance with internal and external policies, procedures, rules, guidelines, directives, laws and regulations.
- (xiii) Compliance with Shariah rules and principles as determined by relevant Islamic authorities (for Islamic operations).
- (xiv) Identification of opportunities and area of improvements in management control, profitability, and the organisation's image.

The cost incurred for the Internal Audit function in respect of the FY2025 was RM2,100,032.

This BARMC Report is made in accordance with the resolution of the Board.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

“Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.”

Finance Committee on Corporate Governance

The Board of Directors (“Board”) is pleased to present this statement with an overview of the corporate governance (“CG”) practices of the Group which supports the three key principles of the Malaysian Code on Corporate Governance (“MCCG”) 2021, namely board leadership and effectiveness; effective audit and risk management; and integrity in corporate reporting and meaningful relationship with stakeholders.

The CG Report 2025 of the Company in relation to this statement is published on the Company’s website, www.hlcap.com.my (“the Company’s Website”).

A. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference (“TOR”) to assist in the discharge of this responsibility.

In discharging its responsibilities, the Board has established functions which are reserved for the Board and those which are delegated to management. The key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed annually by the Board and published on the Company’s Website. The Board Charter was last reviewed by the Board in October 2024. The key roles and responsibilities of the Board broadly cover reviewing and approving corporate policies and strategies; overseeing and evaluating the conduct of the Group’s businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure.

In addition, the Board has established Board Committees which operate within clearly defined TOR primarily to support the Board in the execution of its duties and responsibilities.

To discharge its oversight roles and responsibilities more effectively, the Board has delegated the independent oversight over, inter alia, internal and external audit functions, internal controls and risk management to the Board Audit and Risk Management Committee (“BARMC”). The Nomination and Remuneration Committee (“NRC”) is

delegated the authority to, inter alia, assess and review Board, Board Committees and Chief Executive Officer (“CEO”) appointments and re-appointments and oversee management succession planning. Although the Board has granted such authority to the Board Committees, the ultimate responsibility and the final decision rest with the Board. The chairmen of the Board Committees report to the Board on matters dealt with at their respective Board Committee meetings. Minutes of Board Committee meetings are also tabled at Board meetings.

The Chairman leads the Board and ensures its smooth and effective functioning.

Independent Non-Executive Directors (“INEDs”) are responsible for providing insights, unbiased and independent views, advice and judgment to the Board and bring impartiality to Board deliberations and decision-making. They also ensure effective checks and balances on the Board. There are no relationships or circumstances that could interfere with or are likely to affect the exercise of INEDs’ independent judgment or their ability to act in the best interest of the Company and its shareholders.

The Board is responsible to promote sustainability through appropriate environmental, social and governance (“ESG”) considerations in the Company’s business strategies. The Group continues to operate in a sustainable manner and seeks to contribute positively to the well-being of stakeholders. The Group takes a progressive approach in integrating sustainability into its businesses as set out in the Sustainability Statement in this Annual Report.

The Board observes the new Code of Ethics for Directors established by the Company in November 2024, which is published on the Company’s Website. In addition, the Group has in place a Code of Conduct and Ethics for Employees that sets out sound principles and standards of good practice which are to be observed by the employees. A Whistleblowing Policy has also been established by the Company and it provides a structured channel for all employees or Director and any other persons providing services to the Company, or having a business relationship with the Company, to raise genuine concerns about any improper conduct or wrongful act involving the Company and/or any person associated with the Company.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

B. BOARD COMPOSITION

The Board currently comprises five (5) Directors, all of whom are Non-Executive whilst three (3) are Independent. The profiles of the members of the Board are set out in this Annual Report.

The Company is guided by the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa”) in determining its Board composition. The Board shall determine the appropriate size of the Board to enable an efficient and effective conduct of Board deliberation. The Board shall have a balance of skills and experience to commensurate with the complexity, size, scope and operations of the Company. Board members should have the ability to commit time and effort to carry out their duties and responsibilities effectively.

The Company has in place a Board Diversity Policy. The Board recognises the merits of Board diversity in adding value to collective skills, perspectives and strengths to the Board. The Board will consider appropriate targets in Board diversity including gender balance on the Board and will take the necessary measures to meet these targets from time to time as appropriate. The Board currently has five (5) Directors, of whom three (3) are women Directors. The Board will work towards maintaining diversity on the Board in line with the MCCG.

Based on the review of the Board composition in July 2025, the Board is of the view that the current size and composition of the Board are appropriate and effective for the control and direction of the Group’s strategy and business. The composition of the Board also fairly reflects the investment of shareholders in the Company.

C. BOARD COMMITTEES

Board Committees have been established by the Board to assist in the discharge of its duties.

(A) BARMC

The composition of the BARMC and a summary of its activities in the discharge of its functions and duties for the financial year and explanation on how the BARMC had met its responsibilities are set out in the BARMC Report in this Annual Report.

The BARMC’s functions and responsibilities are set out in the TOR which is published on the Company’s Website.

(B) NRC

The composition of the NRC is as follows:

- Ms Tai Siew Moi (Chairman)
- Ms Leong Ket Ti
- Mr Peter Ho Kok Wai

The NRC’s functions and responsibilities are set out in the TOR which is published on the Company’s Website.

NOMINATION RESPONSIBILITIES

The Company has in place a Fit and Proper (“F&P”) Policy for Directors and CEO as a guide for the following process and procedure for assessment of, inter alia, (i) new appointments and re-appointments of Chairman, Directors and CEO, (ii) appointment of Board Committee members, and (iii) annual F&P assessment of Chairman, Directors and CEO, and the criteria and guidelines used for such assessment.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

(B) NRC (CONTINUED)

(i) New appointments

The nomination, assessment and approval process for new appointments is as follows:



In assessing the candidates for Board appointments, the NRC will take into account, inter alia, the strategic and effective fit of the candidates for the Board, the overall desired composition and required mix of expertise and experience of the Board as a whole and having regard to the candidates' attributes, qualifications, management, leadership, business experience and their F&P Declarations in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant guidelines. The Company will also conduct independent background checks to verify the information disclosed in the F&P Declarations. The Company has taken steps to build and maintain a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with director databases in its search for suitable Board candidates.

In the case of CEO, the NRC will take into account the candidate's knowledge and experience in the industry, market and segment. The NRC will also consider the candidate's F&P Declaration in line with the standards required under the relevant guidelines.

(ii) Re-appointments

The assessment and approval process for re-appointments is as follows:



For re-appointments, the Chairman, Directors and CEO will be evaluated on their performance in the discharge of duties and responsibilities effectively, including, inter alia, contribution to Board deliberations and commitment, and for Independent Directors, their independence. The NRC will also consider the results of the Annual Board Assessment (as defined below), their contributions during the term of office, attendance at Board meetings, F&P Declarations in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant guidelines and for Independent Directors, their continued independence. Independent background checks will also be conducted to verify the information disclosed in their F&P Declarations.

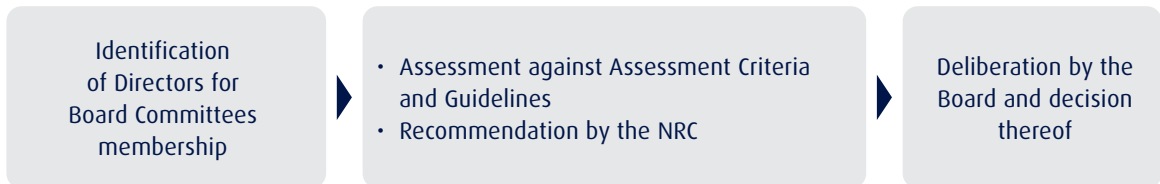
CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

(B) NRC (CONTINUED)

(iii) Board Committees Appointments

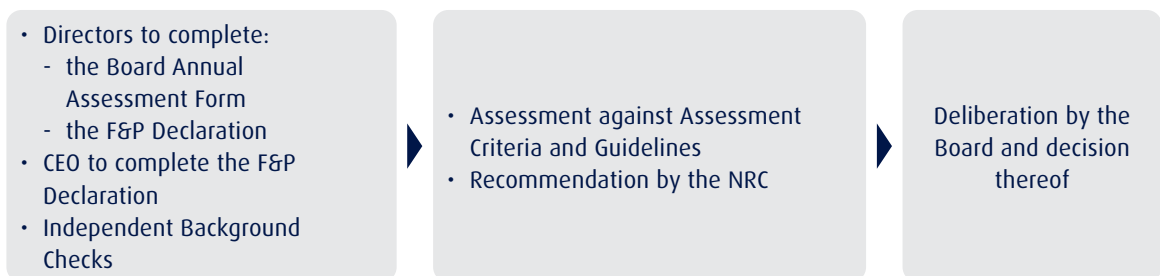
The nomination, assessment and approval process for appointments to Board Committees ("Board Committees Appointments") is as follows:



The assessment for Board Committees Appointments will be based on the Directors' potential contributions and value-add to the Board Committees with regard to Board Committees' roles and responsibilities.

(iv) Annual F&P Assessment

The annual F&P assessment process is as follows:



A formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director on an annual basis ("Annual Board Assessment") in conjunction with the annual F&P assessment of Directors. Directors are required to complete the F&P Declaration in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant guidelines. Independent background checks will also be conducted to verify the information disclosed in their F&P Declarations.

The NRC will deliberate the results of the Annual Board Assessment and submit its recommendation to the Board for consideration and approval. For newly appointed Directors, the Annual Board Assessment will be conducted at the next annual assessment exercise following the completion of one year of service.

Assessment criteria for Board as a whole include, inter alia, the effectiveness of the Board composition in terms of size and structure vis-à-vis the complexity, size, scope and operations of the Company; the core skills, competencies and experience of the Directors; and the Board's integrity, competency, responsibilities and performance. The assessment criteria for Board Committees include the effectiveness of the respective Board Committees' composition in terms of mix of skills, knowledge and experience to carry out their respective roles and responsibilities in accordance with the Board Committees' TOR and the contribution of the Board Committees members. Each individual Director is assessed on, inter alia, the effectiveness of his/her competency, expertise and contributions. The skills, experience, soundness of judgment as well as contributions towards the development of business strategies and direction of the Company and analytical skills to the decision-making process are also taken into consideration.

For management succession planning, it has been embedded in the Group's process over the years to continuously identify, groom and develop key talents from within the Group. The Group also has a talent development programme to identify, retain and develop young high potential talents.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

(B) NRC (CONTINUED)

REMUNERATION RESPONSIBILITIES

The Group's remuneration scheme for Executive Directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmarked to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

The level of remuneration of Non-Executive Directors reflects the scope of responsibilities and commitment undertaken by them.

The NRC, in assessing and reviewing the remuneration packages of Executive Directors, ensures that a strong link is maintained between their rewards and individual performance, based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices. INEDs are paid fixed annual director fees, Board Committee fees and meeting allowance for each Board and Board Committee meeting attended. The remuneration of INEDs is recommended and endorsed by the Board for approval by the shareholders of the Company at its Annual General Meeting ("AGM"), and payable in cash to INEDs upon approval of the shareholders of the Company.

The detailed remuneration of each Director during the financial year ended 30 June 2025 ("FY2025") is as set out in Note 33 of the Audited Financial Statements in this Annual Report.

The NRC meets at least two (2) times in each financial year and additional meetings may be called at any time as and when necessary.

During the FY2025, two (2) NRC meetings were held and the attendances of the NRC members were as follows:

Member	Attendance
Ms Tai Siew Moi	2/2
Ms Leong Ket Ti	2/2
Mr Peter Ho Kok Wai	2/2

The NRC carried out the following activities in the discharge of its duties in accordance with its TOR during the FY2025:

- Carried out the Annual Board Assessment and was satisfied that the Board as a whole, Board Committees and individual Directors have continued to effectively discharge their duties and responsibilities in accordance with their respective TORs, and that the current Board composition in terms of Board balance, size and mix of skills is appropriate and effective for the discharge of its functions. The NRC took cognisance of the merits of Board diversity including women participation on the Board, in adding value to the Company. The NRC will continue to work towards maintaining diversity on the Board in line with the MCG;
- Considered and assessed the position of Independent Directors of the Company and was satisfied that the Independent Directors met the regulatory requirements for Independent Directors;
- Reviewed the F&P Declarations by Directors and Company Secretary in line with the Company's F&P Policy for Directors and CEO and was satisfied that the Directors and Company Secretary met the requirements as set out in the Company's F&P Policy for Directors and CEO;
- Reviewed the terms of office and performance of the BARMC and each of its members in accordance with the TOR of BARMC and was of the view that the BARMC and each of its members had carried out their duties in accordance with the BARMC TOR for the periods under review;
- Considered the re-election of Directors who are due for retirement at the AGM pursuant to the Constitution of the Company;
- Reviewed the F&P Policy for Directors and CEO, new Code of Ethics for Directors and Board Policy on Succession Planning for the Board, and recommended to the Board for consideration and approval;
- Reviewed the proposed revision to the TOR of NRC and recommended to the Board for consideration and approval; and
- Reviewed the proposed bonus and annual increment of CEO and Senior Officers of the Group.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

D. INDEPENDENCE

The Board takes cognisance of the provisions of the MCCG, which states that the tenure of an Independent Director should not exceed a cumulative term of 9 years and upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. It further states that in the event the Board wishes to retain an Independent Director who has served a cumulative term of 9 years and above, shareholders' approval shall be annually sought with justification through a two-tier voting process.

The tenure of all the Independent Directors on the Board of the Company does not exceed 9 years. The Independent Directors have declared their independence, and the NRC and the Board have determined, at the annual assessment carried out, that the Independent Directors have continued to bring independent and objective judgment to Board deliberations and decision-making.

The Company has in place a policy in relation to the tenure for Independent Directors of the Company ("Tenure Policy") under the F&P Policy for Directors and CEO of the Company. Pursuant to the Tenure Policy, the tenure of an Independent Director shall not exceed a cumulative term of 9 years from the date of his or her first appointment in the Company. The Independent Director may retire at the AGM immediately preceding or following the expiry of the 9-year term.

E. COMMITMENT

The Directors are aware of their responsibilities and devote sufficient time to carry out such responsibilities. In line with the MMLR of Bursa, Directors are required to comply with the restrictions on the number of directorships in public listed companies. Directors provide notifications to the Board for acceptance of any new Board appointments. This ensures that their commitment, resources and time are focused on the affairs of the Company to enable them to discharge their duties effectively. Board meetings are scheduled a year ahead in order to enable full attendance at Board meetings. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions. Directors are required to attend at least 50% of Board meetings held in each financial year pursuant to the MMLR of Bursa.

All Board members are supplied with information in a timely manner. The Company has moved towards electronic Board reports since 2015. Board reports are circulated electronically prior to Board and Board Committee meetings and the reports provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, updates on the performance of the Company and of the Group and management's proposals which require the approval of the Board.

All Directors have access to the advice and services of a qualified and competent Company Secretary to facilitate the discharge of their duties effectively. The Company Secretary is qualified to act under Section 235 of the Companies Act 2016. The Company Secretary supports the effective functioning of the Board, provides advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial and governance functions and facilitates effective information flows amongst the Board, Board Committees and senior management. All Directors also have access to the advice and services of the internal auditors and in addition, to independent professional advice, where necessary, at the Company's expense, in consultation with the Chairman of the Company.

At Board meetings, active deliberations of issues by Board members are encouraged and such deliberations, decisions and conclusions are recorded by the Company Secretary accordingly. Questions arising at meetings are decided by a majority of votes. Any Director who has, or potentially has, directly or indirectly, an interest in the subject matter to be deliberated or conflict of interest situation shall abstain from deliberating and voting on the same during the meetings.

The Board met five (5) times for the FY2025 with timely notices of issues to be discussed. Details of attendance of each Director are as follows:

Director	Attendance
Mr Tan Kong Khoon	5/5
Ms Tai Siew Moi	5/5
Ms Leong Ket Ti	5/5
Mr Peter Ho Kok Wai	5/5
Ms Lee Jim Leng	5/5

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

E. COMMITMENT (CONTINUED)

The Company recognises the importance of continuous professional development and training for its Directors.

The Company is guided by a Directors' training policy, which covers an Induction Programme and Continuing Professional Development ("CPD") for Directors of the Company. The Induction Programme is organised for newly appointed Directors to assist them to familiarise and to get acquainted with the Company's business, governance process, roles and responsibilities as Director of the Company. The CPD encompasses areas related to the industry or business of the Company, governance, risk management and regulations through a combination of courses and conferences. A training budget is allocated for Directors' training programmes.

All Directors of the Company have completed the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II: Leading for Impact.

The Company regularly organises in-house programmes, briefings and updates by its in-house professionals. The Directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on a regular basis.

The Company has prepared for the use of its Directors, a Director Manual which highlights, amongst others, the major duties and responsibilities of a Director vis-à-vis various laws, regulations and guidelines governing the same.

In assessing the training needs of Directors, the Board has determined that appropriate training programmes covering matters on corporate governance, finance, legal, risk management, information technology, cyber security, sustainability, internal control and/or statutory/regulatory compliance, be recommended and arranged for the Directors to enhance their contributions to the Board.

During the FY2025, the Directors received regular briefings and updates on the Company's businesses, strategies, operations, risk management and compliance, internal controls, corporate governance, finance, sustainability, cybersecurity and Artificial Intelligence and any changes to relevant legislation, rules and regulations from in-house professionals. In-house programmes were also organised for the Directors and senior management of the Company.

The Directors of the Company have also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors.

During the FY2025, the Directors of the Company, collectively or on their own, attended various training programmes, seminars, briefings and/or workshops including:

- Allianz Insurance Malaysia - Directors' Training on International Financial Reporting Standards ("IFRS") S1 and IFRS S2 Awareness and Implementation
- Bank Negara Malaysia ("BNM") - Engagement session in conjunction with the release of BNM's flagship publications (Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for 2nd half of 2024)
- Deloitte - Board Roundtable and Dialogue Session: Governance of Artificial Intelligence: Are Board Ready?
- Ernst & Young - Financial Services Organisation (FSO) Insurance Forum
- Ernst & Young - International Sustainability Standards Board (ISSB) Briefing
- Financial Institutions Directors' Education (FIDE) and Deloitte - E-Invoicing and Service Tax
- HLA Holdings Sdn Bhd Group - Anti-Money Laundering ("AML"), Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001: Risk, Challenges & Vulnerabilities Towards Risk Based Approach for Directors
- HLCB Group - AML/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions: Balancing Risk and Business in Protecting Compliance Standards
- Hong Leong Financial Group Berhad ("HLFG") - Anti-Bribery and Corruption Refresher Training 2024
- HLFG - Moving from the recommendations of the Task Force on Climate-related Financial Disclosures to IFRS S1 and IFRS S2
- HLFG - Key Cyber Insights, Artificial Intelligence and Technology Trends
- Institute of Corporate Directors Malaysia ("ICDM") - Future-Proofing Governance & Risk: Strategies For A Disruptive Era
- ICDM - How Can Boards Make the Most of Blockchain and Digital Assets
- ICDM - MAP Part II: Leading for Impact
- ICDM - Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AML Act
- ICDM - Strategic Data and Frameworks in Board Governance

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

E. COMMITMENT (CONTINUED)

- KPMG - Cybersecurity Oversight: Board Responsibilities in Light of the Cyber Security Act 2024
- KPMG - Directors' Training on Integrated Reporting
- KPMG - KPMG Tax Summit
- KPMG - Navigating Capital Gains Tax
- Malaysian Institute of Accountants ("MIA") - Ethics in Sustainability Reporting
- MIA - E-Invoicing Solutions: Simplified Tax Compliance
- Maybank Investment Banking Group - Liberation Day: ASEAN in the Crossfire
- PH Advisory Sdn Bhd ("PH Advisory") - Sustainability Reporting Alphabet Soup and Current Sustainability Reporting Updates for Malaysia
- PH Advisory - Unboxing the Malaysian National Sustainability Reporting Framework (NSRF) and discovering what it means to you
- Securities Commission Malaysia ("SC") - Audit Oversight Board Conversation With Audit Committees
- SC - 30% Club Malaysia: Power, Progress, Possibility - Redefining Leadership Together
- Sunway University - Corporate Sustainability Strategies course, Master in Sustainable Development Management
- TRATAX Sdn Bhd - Sales and Service Tax Revision: Decoding the Business Impact
- Wong and Partners - Legal Tech Update: Latest Amendments to Malaysia's Personal Data Protection Act and Insights to Emerging Data Privacy Trends Across Asia Pacific

F. ACCOUNTABILITY AND AUDIT

The Company has put in place a framework of processes whereby Board Committees provide oversight on critical processes of the Company's reporting of financial statements, in order to ensure that accountability and audit are integral components of the said processes.

I FINANCIAL REPORTING

The Board has a fiduciary responsibility to ensure the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the BARMC, which assesses the integrity of financial statements with the assistance of the external auditors.

II RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining a system of internal controls which covers financial and operational controls and risk management. This system provides reasonable but not absolute assurance against material misstatements, losses and fraud.

The BARMC is delegated with the responsibility to provide oversight on the Company's management of critical risks that the Group faces, and to review the effectiveness of internal controls implemented in the Company.

The Statement on Risk Management and Internal Control as detailed under Section I of this Statement provides an overview of the system of internal controls and risk management framework of the Group.

III RELATIONSHIP WITH AUDITORS

The appointment of external auditors is recommended by the BARMC, which also reviews the remuneration of the external auditors. The BARMC reviews the suitability and independence of the external auditors annually. In this regard, an annual assessment is conducted by the BARMC to evaluate the performance, independence and objectivity of the external auditors prior to making any recommendation to the Board on the re-appointment of the external auditors.

The Company also has a Policy on the Use of External Auditors for Non-Audit Services to govern the professional relationship with the external auditors in relation to the non-audit services. Assessment will be conducted by the BARMC for non-audit services to ensure that the provision of non-audit services does not interfere with the exercise of independent judgment of the external auditors.

During the financial year under review, the external auditors met with the BARMC to:

- present the scope of the audit before the commencement of audit; and
- review the results of the audit as well as the management letter after the conclusion of the audit.

The external auditors meet with the BARMC members at least twice a year without the presence of management.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

G. DISCLOSURE

The Board adopts a comprehensive, accurate and timely approach in compliance with the MMLR and the Corporate Disclosure Guide of Bursa. This approach aims to raise awareness and provide guidance to the Board and management on the Group's disclosure requirements and practices.

All timely disclosure and material information documents will be posted on the Company's Website after release to Bursa.

H. SHAREHOLDERS

I DIALOGUE BETWEEN COMPANIES AND INVESTORS

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders and quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

Notices of general meetings and the accompanying explanatory notes are provided within the prescribed notice period on the Company's Website, Bursa's website, in the media and by post to shareholders. This allows shareholders to make the necessary arrangements to attend and participate in general meetings either in person, by corporate representative, by proxy or by attorney.

Shareholders can access the Company's Website for information such as the Board Charter, TORs of Board Committees, corporate information, announcements/press releases/briefings, financial information and investor relations. The minutes of the AGM are published on the Company's Website.

The Board has identified Mr Peter Ho Kok Wai, the Chairman of the BARMC, as the INED of the Board to whom concerns may be conveyed, and who would bring the same to the attention of the Board.

In addition, shareholders and investors have a channel of communication with the Chief Financial Officer to direct queries and provide feedback to the Group.

Queries may be conveyed to the Chief Financial Officer at:

Tel No. : 03-20831800
E-mail address : ir@hlcb.hongleong.com.my

II AGM

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Senior management and the external auditors are also available to respond to shareholders' queries during the AGM. All Directors of the Company attended the last AGM held on 29 October 2024 to engage with shareholders and address issues of concern raised by the shareholders.

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa, all resolutions tabled at the last AGM held on 29 October 2024 were put to a vote by way of a poll and the voting results were announced at the meeting and through Bursa. The Company had adopted electronic voting for the conduct of poll on all resolutions at the AGM and provided e-lodgement channel for shareholders to lodge their form of proxy electronically to the Company.

I. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

I THE RESPONSIBILITIES OF THE BOARD

The Board recognises the practice of good governance as an important continuous process and has established the BARMC to ensure consistent adherence to internal control and good risk management practices. Both risks and control assessment are being reviewed in accordance with the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers.

The Board acknowledges its overall responsibility for the risk management and internal control environment and its effectiveness in safeguarding shareholders' interests and the Group's assets. The presence of risk management and internal control framework is designed to manage rather than eliminate the risk of failure in the achievement of goals and objectives of the Group. It provides reasonable assurance against material misstatements, losses or frauds.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

I. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

I THE RESPONSIBILITIES OF THE BOARD (CONTINUED)

Prevailing risk management and internal control framework currently being practiced by the Group is updated continuously to align with the dynamic changes in the business environment as well as relevant process improvement implemented from time to time. The management team has assured the Board that all regulatory guidelines, internal policies and procedures have been duly implemented accordingly.

The Board has received assurance from the Group Managing Director/Chief Executive Officer of HLIB, Chief Executive Officer/Executive Director of Hong Leong Asset Management Bhd ("HLAM"), Chief Financial Officer and the Heads of Risk Management, Compliance and Internal Audit functions that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Based on the outcome of these reviews as well as the assurance it has received from management, the Board is of the view that the Group's risk management and internal control system is operating adequately and effectively for the financial year under review and up to the date of approval of this report.

II KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The key risk management and internal control processes that are established in determining the adequacy and integrity of the system of risk management and internal controls are as follows:

a) Risk Management

Managing risks is an integral part of the Group's overall business strategy. It involves a process for identifying, assessing and managing risks and uncertainties that could inhibit the Group's ability to achieve its strategy and strategic objectives.

Risk governance oversight is underpinned by the core pillars of risk culture, appetite, policies, surveillance, escalation and capacity. Above all, the approaches need to be relevant, forward looking and sustainable.

In addition, the risk management ("RM") framework is effected through an organisational construct and escalation structure as depicted below:

- The Board provides effective stewardship and control.
- BARMC presents a single view of risks and ensures adequate policies and controls within the Group.
- Risk management monitors and reports the Group's Credit, Market, Liquidity, Operational, IT and ESG Risks.
- Operating business and support units are responsible for the day-to-day management of risks inherent in the various business activities.

At the apex of the RM framework, the Board has the overall responsibility to ensure there is proper oversight of the management of risks in the Group. The Board sets the risk appetite and tolerance level, and allocates the Group's capital in a manner that is consistent with the Group's overall objectives and desired risk profile. The BARMC deliberates and evaluates the reports prepared by RM and provides updates to the Board, and where appropriate, makes necessary recommendations to the Board.

b) Internal Control Review

The internal audit function is established at its subsidiary, HLIB. The provision of internal audit service to HLAM and its subsidiary, Hong Leong Islamic Asset Management Sdn Bhd is through their respective shared service agreements. Internal Audit Department ("IAD") employs a risk-based assessment approach in auditing the Company's business and operational activities. IAD will carry out review and assessment on all high risk areas (i.e. specified through regulatory requirements/internal assessment) on an annual basis. Other operational areas (including branches) are prioritised according to the potential risk exposure and impact. IAD regularly reviews the critical operations (as defined by the respective regulators) to ensure that the internal controls are in place and working effectively.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

I. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

II KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES (CONTINUED)

b) Internal Control Review (continued)

The results of the audits conducted by IAD are reported to the BARMC. Follow-up action and the review of the status of action taken as per the auditors' recommendation are carried out by management.

Implementation of audit recommendations is followed up on a monthly basis and reported to the Management Committee and on a quarterly basis to the BARMC. Highlights of the BARMC meetings are submitted to the Board for review and further deliberation. In addition, internal controls are also effected through the following processes:

- The Board receives and reviews regular reports from the management on the key operating statistics, business dynamics, legal matters, market surveillance on stockbroking activity, AML/CFT and regulatory issues that would have implications on internal control measures.
- The BARMC on a quarterly basis, reviews and holds discussion with management on the actions taken on internal control issues identified in the reports prepared by the IAD, external auditors and regulatory authorities.
- Policies on delegation and authority limits are strictly implemented to ensure a culture that respects integrity and honesty, and thereby reinforce internal controls.
- Relevant policies and procedures are set out in respective departments' Policies and Standard Operating Procedures and disseminated to relevant staff in support of a learning culture, so as to reinforce an environment of internal controls disciplines.
- Policies for recruitment, promotion and termination of staff are in place to ensure the Group's human resources comply with internal controls requirements.

c) Compliance

The Group's Compliance Officers monitor and assess daily operations of licensed subsidiaries to ensure compliance with regulatory requirements and approved internal policies. All breaches and exceptions are brought to the attention of the BARMC and other relevant committees which are kept informed of the causes and the status of remedial measures taken.

J. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The MMLR of Bursa requires the Directors to prepare a statement explaining the Board's responsibility for preparing the annual audited financial statements and the Companies Act 2016 requires the Directors to make a statement stating whether in their opinion, the audited financial statements are drawn up, in accordance with the applicable accounting standards, to give a true and fair view of the financial position and of the financial performance of the Group and of the Company for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the FY2025, the Group has used the appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

This Statement on Corporate Governance Overview, Risk Management & Internal Control Statement is made in accordance with the resolution of the Board.

DIRECTORS' REPORT

for the financial year ended 30 June 2025

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are investment banking, stockbroking business, futures broking and related financial services, nominees and custodian services, investment activities, unit trust management, fund management including islamic fund management service and sale of unit trusts as disclosed in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	58,437	58,004

DIVIDENDS

Since the previous financial year ended 30 June 2024, a final single-tier dividend of 22.0 sen per share, amounting to RM51.9 million in respect of the financial year ended 30 June 2024, was paid on 20 November 2024 by the Company.

The Directors have declared a final single-tier dividend of 19.0 sen per share in respect of the financial year ended 30 June 2025. The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 30 June 2026.

BUSINESS STRATEGY FOR THE CURRENT FINANCIAL YEAR

The business strategy for the current financial year is disclosed in the annual report.

OUTLOOK AND BUSINESS PLAN FOR THE COMING FINANCIAL YEAR

The outlook and business plan for the coming financial year are disclosed in the annual report.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 46 to the financial statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

Significant events subsequent to the financial year are disclosed in Note 47 to the financial statements.

DIRECTORS' REPORT

for the financial year ended 30 June 2025

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements and notes to the financial statements.

DIRECTORS

The Directors of the Company who have held office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Kong Khoon	(Chairman, Non-Independent Non-Executive Director)
Tai Siew Moi	(Independent Non-Executive Director)
Leong Ket Ti	(Independent Non-Executive Director)
Peter Ho Kok Wai	(Independent Non-Executive Director)
Lee Jim Leng	(Non-Independent Non-Executive Director)

The Directors of the Company's subsidiaries who have held office during the financial year and during the period from the end of the financial year to the date of this report (not including those Directors listed above) are:

Raja Noorma binti Raja Othman	
Musa bin Mahmood	
Datuk Manharlal a/I Ratilal	
Chee Fei Meng	
Dato' Abdul Majit bin Ahmad Khan	
Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin	
Chue Kwok Yan	(Appointed with effect from 15 July 2024)
San Kah Yee	(Appointed with effect from 1 October 2024)
Lau Yew Sun	(Associated with a company in member's voluntary liquidation)
Sharan Kaur a/p Jaswant Singh	
Muhammad Awi Goo @ Goo Kim Hooi	
Tan Chan Yien	(Resigned with effect from 1 October 2024)
Noor Aini binte Shaik Awab	(Resigned with effect from 8 February 2025)
Ang Beng Kuan	(Resigned with effect from 6 May 2025)

DIRECTORS' REPORT

for the financial year ended 30 June 2025

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016, the Directors holding office at the end of the financial year who had beneficial interests in the ordinary shares and/or preference shares and/or debentures and/or options over ordinary shares of the Company and/or its related corporations during the financial year ended 30 June 2025 are as follows:

	Directors' direct interests			
	Number of ordinary shares/preference shares/ordinary shares issued or to be issued or acquired or to be received arising from vesting of share grant*			
	As at 01.07.2024	Acquired	(Sold)	As at 30.06.2025
Interests of Tan Kong Khoon in:				
Hong Leong Financial Group Berhad	375,368	-	-	375,368
Interests of Tai Siew Moi in:				
Hong Leong Bank Berhad	14,500	-	-	14,500
Interests of Lee Jim Leng in:				
Hong Leong Capital Berhad	250,000	-	-	250,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company received or became entitled to receive any benefits (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements or as fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any other arrangements to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than the shares options granted pursuant to the Executive Share Option Scheme.

DIRECTORS' REPORT

for the financial year ended 30 June 2025

DIRECTORS' REMUNERATION

The remuneration in aggregate for Directors of the Company and its subsidiaries for the financial year are as follows:

Directors of the Company	The Group RM'000	The Company RM'000
Director fees	426	426
Director other emoluments	4,474	82
Directors of the Company's Subsidiaries		
Director fees	821	-
Director other emoluments	1,612	-

There were no amount paid to or receivable by any third party for services provided by Directors of the Company and its subsidiaries.

During the financial year, Directors and Officers of the Group are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance effected for the Directors and Officers of the immediate holding company and its subsidiaries was RM10.0 million. The total amount of premium paid for the Directors' & Officers' Liability Insurance by the immediate holding company and its subsidiaries was RM85,500 (2024:RM85,500) and the apportioned amount of the said premium paid by the Group was RM1,690 (2024:RM812).

Details of Directors' remuneration are set out in Note 33 to the financial statements.

SHARE CAPITAL

There was no change in the issued and paid-up capital of the Company during the financial year.

STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(a) As at the end of the financial year

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to be realised at their book values in the ordinary course of business had been written down to their estimated realisable values.

DIRECTORS' REPORT

for the financial year ended 30 June 2025

STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

(b) From the end of the financial year to the date of this report

- (i) The Directors are not aware of any circumstances:
 - which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any material extent;
 - which would render the values attributed to current assets in the financial statements misleading; or
 - which had arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.
- (ii) In the opinion of the Directors:
 - the results of the operations of the Group and the Company for the financial year ended 30 June 2025 are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which had arisen in the interval between the end of the financial year and the date of this report; and
 - no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

(c) As at the date of this report

- (i) There are no charges on the assets of the Group and the Company which had arisen since the end of the financial year to secure the liabilities of any other person.
- (ii) There are no contingent liabilities which had arisen since the end of the financial year.
- (iii) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

HOLDING AND ULTIMATE HOLDING COMPANIES

The immediate holding and ultimate holding companies are Hong Leong Financial Group Berhad ("HLFG") and Hong Leong Company (Malaysia) Berhad respectively, both incorporated in Malaysia. HLFG is listed on the Main Market of Bursa Malaysia Securities Berhad.

SUBSIDIARIES

Details of subsidiaries are set out in Note 12 to the financial statements.

DIRECTORS' REPORT

for the financial year ended 30 June 2025

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company are RM558,000 and RM101,000 respectively.

Details of auditors' remuneration are set out in Note 30 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 September 2025.

Peter Ho Kok Wai
Director

Tan Kong Khoon
Director

Kuala Lumpur
18 September 2025

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2025

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Assets					
Cash and short-term funds	2	417,212	153,589	2,376	4,997
Clients' and brokers' balances	3	176,607	236,831	-	-
Deposits and placements with banks and other financial institutions	4	278,241	163,053	234,260	223,300
Financial assets at fair value through profit or loss ("FVTPL")	5	451,859	595,107	109,840	185,398
Financial investments at fair value through other comprehensive income ("FVOCI")	6	2,089,747	2,042,860	-	-
Financial investments at amortised cost	7	1,188,840	1,305,285	1,974	-
Loans and advances	8	270,762	308,912	-	-
Other assets	9	237,453	251,063	893	784
Derivative financial assets	22	94,362	26,918	-	-
Statutory deposits with Bank Negara Malaysia ("BNM")	10	27,720	61,265	-	-
Tax recoverable		1,462	598	-	595
Deferred tax assets	11	61,210	78,570	-	-
Investment in subsidiary companies	12	-	-	315,388	246,574
Property and equipment	13	2,983	2,966	-	-
Right-of-use ("ROU") assets	14	11,567	13,724	-	-
Other intangible assets	15	6,962	5,759	-	-
Goodwill	16	33,059	33,059	-	-
Total assets		5,350,046	5,279,559	664,731	661,648
Liabilities					
Clients' and brokers' balances		281,180	233,891	-	-
Deposits from customers	17	567,965	758,755	-	-
Deposits and placements of banks and other financial institutions	18	2,868,326	2,807,836	-	-
Obligations on securities sold under repurchase agreements	19	228,969	-	-	-
Lease liabilities	20	11,142	13,015	-	-
Other liabilities	21	152,274	309,760	1,115	4,508
Derivative financial liabilities	22	99,287	27,154	-	-
Current tax liabilities		540	2,040	368	-
Subordinated obligations	23	99,958	99,945	-	-
Total liabilities		4,309,641	4,252,396	1,483	4,508
Equity					
Share capital	24	246,896	246,896	246,896	246,896
Reserves	25	824,666	811,424	447,396	441,288
Treasury shares for ESOS scheme	26	(31,157)	(31,157)	(31,044)	(31,044)
Total equity		1,040,405	1,027,163	663,248	657,140
Total equity and liabilities		5,350,046	5,279,559	664,731	661,648
Commitments and contingencies	37	12,972,555	10,848,756	-	

INCOME STATEMENTS

for the financial year ended 30 June 2025

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Interest income	27a	173,798	162,679	8,676	1,221
Interest income for financial assets at FVTPL	27b	21,376	19,125	-	-
Interest expense	28	(131,821)	(130,608)	-	-
Net interest income		63,353	51,196	8,676	1,221
Non-interest income	29	153,187	218,585	55,339	59,832
		216,540	269,781	64,015	61,053
Overhead expenses	30	(138,468)	(148,020)	(2,626)	(2,291)
Operating profit before allowances		78,072	121,761	61,389	58,762
(Allowance for)/Write-back of impairment losses on loans and advances	31	(69)	74	-	-
Write-back of impairment losses on financial investments and other financial assets	32	456	26	-	-
Profit before taxation		78,459	121,861	61,389	58,762
Taxation	34	(20,022)	(23,950)	(3,385)	(494)
Net profit for the financial year		58,437	97,911	58,004	58,268
Earnings per share (sen)					
- Basic	35	24.8	41.5		
- Diluted	35	24.8	41.5		

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2025

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Net profit for the financial year		58,437	97,911	58,004	58,268
Other comprehensive income:					
Items that may be reclassified subsequently to income statements:					
Debt instruments at FVOCI					
- Net fair value changes		8,915	5,070	-	-
- Net changes in expected credit losses		(97)	107	-	-
Income tax relating to net fair value changes on debt instruments at FVOCI	11	(2,140)	(1,217)	-	-
Other comprehensive income for the financial year, net of tax		6,678	3,960	-	-
Total comprehensive income for the financial year, net of tax		65,115	101,871	58,004	58,268

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

The Group	Note	Attributable to owners of the parent					Total RM'000
		Share capital RM'000	Treasury shares for ESOS scheme RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	
At 1 July 2024		246,896	(31,157)	17,177	(526)	794,773	1,027,163
Net profit for the financial year		-	-	-	-	58,437	58,437
Other comprehensive income, net of tax		-	-	-	6,678	-	6,678
Total comprehensive income for the financial year		-	-	-	6,678	58,437	65,115
Transfer from regulatory reserve	25	-	-	(1,303)	-	1,303	-
Dividend paid	36	-	-	-	-	(51,873)	(51,873)
At 30 June 2025		246,896	(31,157)	15,874	6,152	802,640	1,040,405

The Group	Note	Attributable to owners of the parent					Total RM'000
		Share capital RM'000	Treasury shares for ESOS scheme RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	
At 1 July 2023		246,896	(31,157)	14,429	(4,486)	739,694	965,376
Net profit for the financial year		-	-	-	-	97,911	97,911
Other comprehensive income, net of tax		-	-	-	3,960	-	3,960
Total comprehensive income for the financial year		-	-	-	3,960	97,911	101,871
Transfer to regulatory reserve	25	-	-	2,748	-	(2,748)	-
Dividend paid	36	-	-	-	-	(40,084)	(40,084)
At 30 June 2024		246,896	(31,157)	17,177	(526)	794,773	1,027,163

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

The Company	Note	Non-distributable	Distributable		Total RM'000
		Share capital RM'000	Treasury shares for ESOS scheme RM'000	Retained profits RM'000	
At 1 July 2024		246,896	(31,044)	441,288	657,140
Net profit for the financial year		-	-	58,004	58,004
Total comprehensive income for the financial year		-	-	58,004	58,004
Dividend paid	36	-	-	(51,896)	(51,896)
At 30 June 2025		246,896	(31,044)	447,396	663,248
At 1 July 2023		246,896	(31,044)	423,121	638,973
Net profit for the financial year		-	-	58,268	58,268
Total comprehensive income for the financial year		-	-	58,268	58,268
Dividend paid	36	-	-	(40,101)	(40,101)
At 30 June 2024		246,896	(31,044)	441,288	657,140

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Cash flows from operating activities		
Profit before taxation	78,459	121,861
Adjustments for:		
Depreciation of property and equipment	1,329	3,397
Depreciation of ROU assets	3,608	3,904
Amortisation of other intangible assets	2,309	2,445
Allowance for/(Write-back of) impairment losses on loans and advances	69	(74)
(Write-back of)/Allowance for impairment losses on financial investments and other financial assets	(363)	30
Net unrealised loss/(gain) on revaluation of:		
- Financial assets at FVTPL	3,818	(17,787)
- Derivative financial instruments	4,333	12,686
Net gain on discontinued fair value hedges	(2,406)	(3,562)
Net realised gain arising from sale of financial investments at FVOCI	(19,807)	(11,607)
Interest income from:		
- Financial assets at FVTPL	(21,376)	(19,125)
- Financial investments at FVOCI	(74,064)	(67,198)
- Financial investments at amortised cost	(38,799)	(38,044)
Interest expense on:		
- Derivative financial instruments	6,298	6,456
- Subordinated obligations	4,166	4,251
- Lease liabilities	546	540
Dividend income from:		
- Financial assets at FVTPL	(8,029)	(14,183)
	(138,368)	(137,871)
Operating loss before working capital changes	(59,909)	(16,010)
Decrease/(Increase) in operating assets		
Deposit and placements with banks and other financial institutions with original maturity of more than three months	78,960	(72,000)
Clients' and brokers' balances	60,228	(96,321)
Financial assets at FVTPL	139,028	55,292
Loans and advances	38,081	100,979
Other assets	13,768	(203,248)
Statutory deposits with BNM	33,545	(8,915)
	363,610	(224,213)

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	Note	The Group	
		30.06.2025 RM'000	30.06.2024 RM'000
Increase/(Decrease) in operating liabilities			
Clients' and brokers' balances		47,289	88,498
Deposits from customers		(190,790)	55,079
Deposits and placements of banks and other financial institutions		60,490	(50,398)
Obligations on securities sold under repurchase agreements		228,969	-
Other liabilities		(157,309)	174,321
		(11,351)	267,500
Cash generated from operating activities		292,350	27,277
Income tax paid		(7,169)	(4,676)
Income tax refunded		3	-
Net cash generated from operating activities		285,184	22,601
Cash flows from investing activities			
Net purchases of financial investments at FVOCI		(27,199)	(194,307)
Net proceeds/(purchases) of financial investments at amortised cost		106,588	(173,665)
Dividends received from financial assets at FVTPL		8,133	13,920
Interest received from:			
- Financial assets at FVTPL		22,136	20,395
- Financial investments at FVOCI		85,504	76,999
- Financial investments at amortised cost		48,656	44,661
Interest paid on derivative financial instruments		(6,300)	(6,440)
Purchase of property and equipment		(1,346)	(965)
Purchase of other intangible assets		(3,512)	(2,516)
Net cash generated from/(used in) investing activities		232,660	(221,918)
Cash flows from financing activities			
Interest paid on subordinated obligations		(4,110)	(4,242)
Proceeds from issuance of subordinated obligations		-	99,741
Repayment of subordinated obligations		-	(100,000)
Dividend paid		(51,873)	(40,084)
Lease payments		(4,090)	(4,382)
Net cash used in financing activities		(60,073)	(48,967)
Net increase/(decrease) in cash and cash equivalents		457,771	(248,284)
Cash and cash equivalents at beginning of the financial year		234,642	482,926
Cash and cash equivalents at end of the financial year		692,413	234,642
Cash and cash equivalents comprise:			
Cash and short-term funds	2	417,212	153,589
Deposits and placements with banks and other financial institutions	4	278,241	163,053
		695,453	316,642
Less:			
Deposits and placements with banks and other financial institutions with original maturity of more than three months		(3,040)	(82,000)
		692,413	234,642

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	Note	The Company	
		30.06.2025 RM'000	30.06.2024 RM'000
Cash flows from operating activities			
Profit before taxation		61,389	58,762
Adjustments for:			
Net unrealised loss/(gain) on revaluation of financial assets at FVTPL		5,497	(18,557)
Interest income from financial investments at amortised cost		(7)	-
Dividend income from:			
- Financial assets at FVTPL		(4,381)	(11,473)
- Subsidiary companies		(50,460)	(28,710)
		(49,351)	(58,740)
Operating profit before working capital changes		12,038	22
Decrease in financial assets at FVTPL		1,247	191,493
Decrease/(Increase) in deposit and placements with banks and other financial institutions with original maturity of more than three months		80,000	(80,000)
Increase in other assets		(492)	(333)
(Decrease)/Increase in other liabilities		(3,393)	3,369
Cash generated from operating activities		89,400	114,551
Net income tax paid		(2,422)	(964)
Net cash generated from operating activities		86,978	113,587
Cash flows from investing activities			
Net purchases of financial investments at amortised cost		(1,967)	-
Dividends received from:			
- Financial assets at FVTPL		4,764	11,209
- Subsidiary companies		50,460	28,710
Net cash generated from investing activities		53,257	39,919
Cash flows from financing activity			
Dividend paid		(51,896)	(40,101)
Net cash used in financing activity		(51,896)	(40,101)
Net increase in cash and cash equivalents		88,339	113,405
Cash and cash equivalents at beginning of the financial year		148,297	34,892
Cash and cash equivalents at end of the financial year		236,636	148,297
Cash and cash equivalents comprise:			
Cash and short-term funds	2	2,376	4,997
Deposits and placements with banks and other financial institutions	4	234,260	223,300
		236,636	228,297
Less:			
Deposit and placements with banks and other financial institutions with original maturity of more than three months		-	(80,000)
		236,636	148,297

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

Analysis of changes in liabilities arising from financing activities as follows:

The Group	← Cash changes →				← Non-cash changes →			Balance at the end of the financial year RM'000
	Balance at the beginning of the financial year RM'000	Proceeds from issuance RM'000	Repayment RM'000	Interest paid RM'000	Accrued interest RM'000	Amortisation RM'000	Other non-cash RM'000	
30.06.2025								
Lease Liabilities	13,015	-	(3,544)	(546)	546	-	1,671	11,142
Subordinated obligations	99,945	-	-	(4,110)	4,110	13	-	99,958
	112,960	-	(3,544)	(4,656)	4,656	13	1,671	111,100
30.06.2024								
Lease Liabilities	13,432	-	(3,842)	(540)	540	-	3,425	13,015
Subordinated obligations	100,195	99,741	(100,000)	(4,242)	4,248	3	-	99,945
	113,627	99,741	(103,842)	(4,782)	4,788	3	3,425	112,960

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial investments at FVOCI and financial assets/financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates. The area involving higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements includes the following:

Deferred tax asset (Note 11)

Deferred tax assets are recognised for unutilised tax credits to the extent that it is probable that future taxable profits will be available against which the tax credits can be utilised. Management's judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the probability and level of future taxable profits. Management assesses the probability of future taxable profit based on the profit projections approved by Directors covering three year period. Management has also considered the estimated growth rate in the capital markets and Kuala Lumpur Composite Index ("KLCI") in deriving the profit projections. Profits beyond the three year period are extrapolated using the estimated growth rate of 4.0% (2024: 4.1%), based on the forecasted Gross Domestic Product ("GDP") growth rate of the country. Management has assumed a percentage of probability factors for taxable profits for the fourth year and onwards.

(a) Standards, amendments and improvements to published standards that are applicable to the Group and the Company and are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 July 2024:

- Amendments to MFRS16 'Leases - Lease Liability in a Sale and Leaseback'
- MFRS 8 'Operating Segments - IFRIC Agenda Decision on Disclosure of Revenues and Expenses for Reportable Segments'
- Amendments to MFRS 101 'Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants'

The adoption of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(a) Standards, amendments and improvements to published standards that are applicable to the Group and the Company and are effective (continued)

Amendments to MFRS 16 'Leases - Lease Liability in a Sale and Leaseback'

Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

MFRS 8 'Operating Segments - IFRIC Agenda Decision on Disclosure of Revenues and Expenses for Reportable Segments'

This agenda decision clarified that entities reporting segment information in their financial statements should disclose specified income and expense items for each reportable segment, provided these items are included in the segment profit measure reviewed by the chief operating decision maker ("CODM"), regardless of whether they are separately reviewed by the CODM. Additionally, entities should apply the requirements for materiality and aggregation under MFRS 101 when determining which additional material items of income and expense should be disclosed in segment reporting.

In line with the IFRIC agenda decision, the Group has reassessed material items included in the profit before tax measure reviewed by the CODM and determined that the net interest income and net other operating income are material income items. Accordingly, the Group has disclosed the net interest income and net other operating income in the segment information and comparatives information disclosed in Note 42 have been restated.

The adoption of the amendments to published standards above did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

Amendments to MFRS 101 'Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants'

Amendments to MFRS 101 'Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments - Presentation' does not impact the current or non-current classification of the convertible instrument.

The amendments of MFRS 101 'Presentation of Financial Statements - Non-Current Liabilities with Covenants' specify that covenants of loan arrangements which an entity must comply with after the reporting date would not affect classification of a liability at the reporting date.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective**

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 July 2024. None of these is expected to have a significant effect on the financial statements of the Group and the Company, except the following:

- Amendments to MFRS 121 'The effects of Changes in Foreign Exchange Rates - Lack of Exchangeability' (effective 1 January 2025) clarify that a currency is exchangeable when an entity is able to exchange it into other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

The amendments do not specify how to estimate the spot exchange rate, but an entity can use observable exchange rate without adjustment or another estimation technique, that could meet the objective of the new requirements for estimating the spot exchange rate.

The amendments shall be applied prospectively.

- Annual Improvements to MFRS Accounting Standards - Volume 11 (effective 1 January 2026) for enhanced consistency.

The annual improvements comprise the following amendments:

- Amendments to MFRS 1 'First-time adoption of Malaysian Financial Reporting Standards' align the hedge accounting provisions with MFRS 9 requirements and add cross-references for better clarity.
- Amendments to MFRS 7 'Financial Instruments - Disclosures' on gain or loss on derecognition – obsolete cross-referencing is removed. Additionally, the implementation guidance is revised to address the inconsistency within MFRS 7 on disclosure of deferred difference between fair value and transaction price. The amendments also clarify that the credit risk guidance does not cover all MFRS 7 requirements.
- Amendments to MFRS 9 'Financial Instruments' clarify that the derecognition principle of MFRS 9 should be applied by lessees to account for extinguished lease liabilities. In addition, the term "transaction price" as defined in MFRS 15 has also been removed from MFRS 9.
- Amendments to MFRS 10 'Consolidated Financial Statements' resolve an inconsistency in determining whether a party is acting as a de facto agent.
- Amendments to MFRS 107 'Statements of Cash Flows' replace the term 'cost method' which is not a defined term in MFRS.

The amendments shall be applied retrospectively.

- Amendments to MFRS 7 'Financial Instruments and MFRS 9 Financial Instruments - Classification and Measurement of Financial Instruments' (effective 1 January 2026) have:
 - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments shall be applied retrospectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

The new MFRS introduces a new structure of profit or loss statement.

- a) Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investment in associates and joint venture and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
- b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measure ("MPMs") are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS accounting standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The amendments shall be applied retrospectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)**

- MFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027) is to allow eligible subsidiaries to apply the reduced disclosure requirements, while still applying the recognition, measurement and presentation requirements in accounting standards. An entity is eligible to apply MFRS 19 in its consolidated, separate or individual financial statements if it meets the eligibility criteria as listed below at the end of the reporting period.
 - a) It is a subsidiary as defined in MFRS 10 Consolidated Financial Statements;
 - b) It does not have public accountability; and
 - c) It has a parent (either ultimate or intermediate) that prepare consolidated financial statements, available for public use that comply with MFRS accounting standards.

An intermediate parent does not have public accountability and meets above eligibility conditions is permitted to apply these standards in its separate financial statements even if it does not apply these standards in its consolidated financial statements. An entity has public accountability if:

- a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market; or
- b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

An entity is permitted to elect to apply MFRS 19 more than once. An entity that has elected to apply MFRS 19 may later revoke that election.

The standards requires to disclose the fact that it is applying the standards as part of its general compliance statement. Apart from this, these standards requires the financial statements to comply with accounting standards and the disclosure requirements to make an explicit and unreserved statement of such compliance.

In developing the disclosures relating to each accounting standard, the Malaysian Accounting Standards Board adopted the following approach:

- a) If the recognition and measurement requirements were the same, the disclosure requirements in the MFRS for SMEs accounting standard have been issued in these standards with the wording aligned used in other MFRS accounting standards; and
- b) If recognition and measurement requirements are different in the MFRS for SMEs accounting standards, the disclosure requirements in these standards have been tailored applying the principles used in developing the disclosure requirements in the MFRS for SMEs accounting standard.

Some disclosure requirements in MFRS accounting standards remain applicable to entities applying MFRS 19. Such disclosure requirements are specified under the subheading of each MFRS accounting standard.

The amendments shall be applied prospectively.

The adoption of the above new accounting standards, amendments to published standards, and interpretations are not expected to give rise to any material financial impact on the Group and the Company, except for the adoption of MFRS 18 and amendments to MFRS 9, of which the Group and the Company are in the midst of assessing the financial and disclosures impact.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

B CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements include the financial statements of the Group and all its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared in the same reporting date as the Group.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statements.

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (at the date of the transaction) of the acquired entity is recorded as an adjustment to retained profits. No additional goodwill is recognised. Acquisition-related costs are expensed as incurred. The acquired entity's results, assets and liabilities are consolidated from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred and the corresponding amounts for the previous year are also not restated.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in income statements. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in income statements. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

B CONSOLIDATION (CONTINUED)**(i) Subsidiaries (continued)**

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of financial position respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in income statements. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income statements.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Investment in subsidiaries

In the Company's separate financial statements, the investment in subsidiaries is stated at cost less accumulated impairment losses. At each reporting date, the Company assesses whether there is an indication of impairment. If such indication exist, an analysis is performed to assess whether the carrying amount of the investment is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. Any subsequent increase in recoverable amount is recognised in the income statements.

On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in income statements.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in subsidiaries.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

C PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes its purchase price and any cost that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repair and maintenance costs are charged to the income statements during the financial period in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Property and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Buildings on freehold land	50 years
Office and computer equipment	3 - 10 years
Furniture and fittings	3 - 10 years
Renovations	5 - 10 years
Motor vehicles	4 - 5 years

The assets' residual value and useful lives are reviewed and adjusted if appropriate, at each reporting period.

Property and equipment are reviewed for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Any subsequent increase in the recoverable amount is recognised in the income statements. Refer to Note V on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in other operating income in income statements.

D INTANGIBLE ASSETS

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 8 years. Computer software classified as intangible assets are stated at cost less accumulated amortisation and accumulated impairment loss, if any.

(b) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in income statements.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination in which the goodwill arose. Each CGU represents the lowest level at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is stated at cost less accumulated impairment loss and is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

E LEASES

Leases are recognised as Right-of-use (“ROU”) assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date). Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are lessees, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated). The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

Right-of-use (“ROU”) assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets is depreciated over the underlying asset’s useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments depend on index or rate;
- The exercise price of a purchase options if the Group and the Company are reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option; and
- The amount expected to be payable by the Group and the Company under residual value guarantees.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee’s incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU assets in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

E LEASES (CONTINUED)

Lease liabilities (continued)

The Group and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the interest expense in the income statements.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an operating expense in the income statements.

F FINANCIAL ASSETS

(i) Classification

The Group and the Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The Group and the Company reclassify debt investments when and only when its business model for managing those financial assets changes.

The Group and the Company do not change the classification of the remaining financial assets held in the business model, but consider the circumstances leading to the model change when assessing newly originated or newly purchased financial assets going forward.

Business model assessment

The Group and the Company conduct assessment of the objective of a business model to align with how an asset held within a portfolio is being managed. Factors that are being considered include the key objectives of a portfolio whether the business strategy is to earn contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising a portfolio through sale of assets. Other factors considered also include the frequency and volume of sales in prior periods, how the asset's performance is evaluated and reported to key management personnel.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

F FINANCIAL ASSETS (CONTINUED)**(i) Classification (Continued)**Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Group and the Company assess whether the financial assets' contractual cash flows represent solely payment of principal and interest. In applying the SPPI test, the Group and the Company consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the income statements.

Debt instruments

Subsequent measurement of debt instruments depends on the Group and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in to which the Group and the Company classify its debt instruments:

(a) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statements as presented in net realised gain/(loss) on financial instruments (as per Note 29) and impairment losses are presented as separate line item (as per Note 32) in the income statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

F FINANCIAL ASSETS (CONTINUED)

(iii) Measurement (continued)

Debt instruments (continued)

(b) FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statements. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statements and recognised in net realised gain/(loss) on financial instruments. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the income statements.

(c) FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in the income statements and presented net within net unrealised gain/(loss) on revaluation in the period which it arises.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statements following the derecognition of the investment. Cumulative gain or loss previously recognised in OCI is not subsequently reclassified to the income statements, but may be transferred within equity. Dividends from such investments continue to be recognised in the income statements as other income when the Group and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in net gain/(loss) on revaluation in the income statements.

(iv) Reclassification

Reclassification of financial assets is required when, and only when, the Group and the Company change their business model for managing the assets. In such cases, the Group and the Company are required to reclassify all affected financial assets.

However, it will be inappropriate to reclassify financial assets that have been designated at fair value through profit or loss, or equity instruments that have been designated as at fair value through other comprehensive income even when there is a change in business model. Such designations are irrevocable.

(v) Modification of financial assets

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within impairment in the income statements with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group and the Company would not otherwise consider, the instrument is considered to be credit impaired and is considered forborne.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

G FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in income statements. Financial liabilities are de-recognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition. The Group and the Company does not have any non-derivative financial liabilities designated at fair value through profit or loss.

A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held-for-trading unless they are designated and effective as hedging instruments.

(b) Financial liabilities at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost.

H IMPAIRMENT OF FINANCIAL ASSETS

The Group and the Company assesses on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represent a probability-weighted estimate of the difference between the present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach

At each reporting date, the Group and the Company measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. The Group and the Company applies 3-stage approach on debt instruments measured at amortised cost and FVOCI, except for those that are under simplified approach, as explained below.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

H IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(ii) Simplified approach

The Group and the Company applies MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for clients and brokers' balances and other assets.

Significant increase in credit risk

At each reporting date, the Group and the Company assess whether there has been a significant increase in credit risk for exposures since initial recognition to determine whether the exposure is subject to 12-month ECL or lifetime ECL. This is performed by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition.

When determining whether the risk of default has increased significantly since initial recognition, the Group and the Company consider both quantitative and qualitative information and assessments based on the Group and the Company's historical experience and credit risk assessments, including forward-looking information. A backstop of 30 days or 1-month past due from its contractual payment is applied and a financial asset will still be designated as having significant increase in credit risk regardless if it meets both the quantitative and qualitative assessments.

Definition of default and credit-impaired financial assets

The definition of credit-impaired of the Group and the Company remained the same under MFRS 139 and MFRS 9. At each reporting period, the Group and the Company assess whether financial assets are impaired. Qualitative and quantitative information are used to determine if a financial asset is credit impaired. Nevertheless, a backstop is applied and a financial asset is considered as credit impaired if it is more than 90 days or 3 months past due on its contractual payments.

Where measurement of ECL is relying on external published sources, in determining if a financial asset is credit-impaired, the Group and the Company will consider factors, such as, but not limited to, rating agencies' assessment of creditworthiness and country's ability to access to capital markets for new debt issuance.

Measurement of ECL

ECL are measured using three main components, which include probability of default ("PD"), loss given default ("LGD") and exposures at default ("EAD"). These components are derived from either published information from External Credit Assessment Institutions ("ECAI") or proxy to the internally developed statistical models from the related company, Hong Leong Bank Berhad and adjusted to reflect forward-looking information.

The 12-month and lifetime PD represent the expected point-in-time probability of default over the next 12 months and remaining lifetime of a financial instrument, based on the conditions that exist at the reporting date and taking into consideration of future economic conditions that affect credit risk. The LGD component represents that expected loss if a default event occurs at a given time, taking into account the mitigating effects of collateral, its expected value when realised and time value of money. The EAD represents the expected exposure at default, taking into account the repayment of principal and interest from the reporting date to the default event together with expected drawdown and utilisation of a facility. The 12-month ECL is equal to the discounted sum over the next 12 months of monthly PD multiplied by LGD and EAD. The discount rate used in the ECL measurement is the original effective interest rate or an approximation thereof.

The measurement of ECL reflects an unbiased and probability-weighted amount that is derived by evaluating a range of possible macroeconomic outcome, the time value of money together with reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Forward looking information

The Group and the Company incorporate forward looking macroeconomic ("MEV") which consists of economic indicators and industry statistics in the measurement of ECL. This involves incorporation of MEV forward looking into PD estimation, which is determined based on probability-weighted outcome from a range of economic scenarios. No MEV is incorporated into LGD estimation due to insufficient data points and lack of solid statistical results supporting the said application.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

H IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)**Forward looking information (continued)**

The Group and the Company apply three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

Base case: This represents 'most likely outcome' of future economic conditions which are backed by consensus forecast from various sources.

Best and worst case: This represent the 'upside' and 'downside' outcome of future economic conditions by making references to past historical cyclical conditions together with incorporation of best estimates and judgements on an unbiased basis.

I DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral furnished by the Group under standard repurchase agreements transactions is not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

J OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

K SALE AND REPURCHASE AGREEMENTS

Securities purchased under resale agreements are securities which the Group and the Company have purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group and the Company have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligation to repurchase the securities is reflected as a liability on the statements of financial position.

The difference between sale and repurchase price as well as purchase and resale price are amortised as interest income and interest expense respectively on an effective yield method.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

L CLIENTS' AND BROKERS' BALANCES

In accordance with the Rules of Bursa Malaysia Securities Berhad ("Bursa Securities"), clients' accounts are classified as impaired accounts (previously referred to as non-performing) under the following circumstances:

Types	Criteria for classification as impaired
Contra losses	When an account remains outstanding from more than 16 calendar days from the date of contra transaction
Overdue purchase contracts	When an account remains outstanding from T+5 market days onwards (non-margin purchase) and T+9 market days onwards (discretionary financing)

Bad debts are written-off when identified. Impairment allowances are made for balances due from clients and brokers which are considered doubtful or which have been classified as impaired, after taking into consideration collateral held by the Group and deposits of and amounts due to dealer representative in accordance with the Rules of Bursa Securities.

M DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair values at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the income statements.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group and the Company recognises the fair value of derivatives in income statements immediately.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Company designated certain derivatives as hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

At the inception of the transaction, the Group and the Company document the relationship between hedging instruments and hedged items, as well as their risk management objective and strategy for undertaking various hedge transactions. The Group and the Company also documents their assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statements of income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statements of income over the period to maturity using a recalculated effective interest rate.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

M DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING (CONTINUED)**(ii) Derivatives that do not qualify for hedge accounting**

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statements of income.

N MANAGER'S STOCKS AND CONSUMABLES

Manager's stocks represent units in the unit trust funds managed by the unit trust management subsidiary. Manager's stocks are classified as a financial asset at fair value through profit or loss. Consumables for future use are stated at cost and are written off when they are not foreseen to be used.

O CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash and short-term funds held for the purpose of meeting short-term commitments and readily convertible into cash without significant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and short-term funds and deposits and placements with financial institutions, with original maturity of three months or less.

P BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in the income statements over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in income statements within interest expense.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in income statements, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

All other borrowing costs are recognised in income statements in the period in which they are incurred.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

Q INCOME TAXES

Tax expense for the period comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in income statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred income tax related to fair value re-measurement of financial investments at FVOCI, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the income statements together with the deferred gain or loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

R PROVISIONS

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present values of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

S RECOGNITION OF INTEREST INCOME

Interest income and expense for all interest-bearing financial instruments are recognised within “interest income” and “interest expense” in the income statements using the effective interest method. Interest income for financial assets at FVTPL is disclosed as separate line item in income statements.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group and the Company take into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

T RECOGNITION OF FEES AND OTHER INCOME

Loan arrangement fees and commissions are recognised as income when all conditions precedent are fulfilled. For a service that is provided over a period of time, commitment fees and guarantee fees which are material are recognised as income based on time apportionment. Fees for these services will be billed periodically over time.

For a transaction-based service, charges and other fee income are recognised as income when the services are rendered. These fees constitute a single performance obligation.

Dividends from financial assets at FVTPL, financial investments at FVOCI and subsidiary companies are recognised when the rights to receive payment is established.

Net profit from financial assets at FVTPL and financial investments at FVOCI are recognised upon disposal of the financial instruments, as the difference between net disposal proceeds and the carrying amount of the financial instruments.

Brokerage income is recognised when contracts are executed. Fees that constitute single performance obligation is recognised upon completion of transactions such as rollover fees, nominees services and handling charges.

Corporate advisory fees are recognised as income after fulfilling each of the performance obligation.

Management fees charged for management of clients' and unit trust funds is recognised over the period of time in accordance with the rates provided for in the prospectuses of unit trust funds and investment mandate with private customers. Other management fees charged for underwriting, placement and advisory fees are recognised over the period during which the related service is provided or credit risk is undertaken.

Service charge from sales of unit trust comprises gross proceeds from sales of unit trust less direct cost of unit trust created, net of cancellations. Such revenue is recognised upon the allotment of unit trust.

Commission from futures clients is recognised upon the execution of trade on behalf of clients.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

U EMPLOYEE BENEFITS

Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The Group and the Company recognise a liability and an expense for bonuses. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (fund) on mandatory, contractual or voluntary basis and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group and the Company contribute to a national defined contribution plan (the Employee Provident Fund) on a mandatory basis and the amounts contributed to the plan are charged to the income statements in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the income statements over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Company revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statements, with a corresponding adjustment to share option reserve in equity.

A trust has been set up for the Employee Share Option Scheme ("ESOS") and is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase the Company's stocks from the open market for the purposes of this trust, recognised as treasury shares in the equity.

When the options are exercised, the Company delivers the treasury shares to the employees. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained profits. The difference between the net proceeds received and the cost of treasury shares is recorded as an adjustment to retained profits.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

V IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statements unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statements unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

W CURRENCY TRANSLATIONS

(a) Functional and presentation currency

Items included in the financial statements of each of the Group and the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Group's presentation currency and the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in income statements, and other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial investments at FVOCI are included in other comprehensive income.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

X SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity. Other shares, if any, are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

(b) Share issue costs

Incremental external costs directly attributable to the issue of new shares or options are deducted against equity.

(c) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument are charged directly to equity.

Y SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

Segment revenue, expense, assets and liabilities are those amount resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

Z FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans and other banking facilities.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under MFRS 9 'Financial instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2025

AA CONTINGENT ASSETS AND LIABILITIES

The Group and the Company do not recognise contingent assets and liabilities other than those arising from business combination, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

AB TRANSACTION WITH OWNERS

Transaction with owners in their capacity as owners are recognised in statements of changes in equity and are presented separately from non-owner changes in equity.

AC EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are investment banking, stockbroking business, futures broking, related financial services, nominees and custodian services, investment activities, unit trust management, fund management including islamic fund management service and sale of unit trusts as disclosed in Note 12 to the financial statements.

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The immediate holding and ultimate holding companies are Hong Leong Financial Group Berhad ("HLFG") and Hong Leong Company (Malaysia) Berhad respectively, both incorporated in Malaysia. HLFG is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 30, Menara Hong Leong, No 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.

2 CASH AND SHORT-TERM FUNDS

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Cash and balances with banks and other financial institutions	129,142	104,444	2,376	4,997
Money at call and deposit placements maturing within one month	288,070	49,145	-	-
	417,212	153,589	2,376	4,997

Inclusive in cash and short-term funds of the Group are accounts in trust for dealer's representative amounting to RM12,627,000 (2024: RM13,914,000).

Cash and short-term funds of the Group also include restricted cash which could be utilised only for the creation and cancellation of units of the funds management by the Group in accordance with Section 111 of the Capital Markets and Services Act 2007. The total restricted cash of the Group amounted to RM82,825,000 (2024: RM16,753,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

3 CLIENTS' AND BROKERS' BALANCES

Clients' and brokers' balances represent amounts receivable from outstanding purchase contracts in respect of the Group's stockbroking business entered on behalf of clients, amounts due from brokers and contra losses.

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Performing accounts	175,635	236,351
Impaired accounts	1,800	1,312
	177,435	237,663
Less: Expected credit losses	(828)	(832)
	176,607	236,831

Movements of impaired accounts are as follows:

At 1 July	1,312	1,423
New financial assets originated	650	76
Financial assets derecognised	(733)	(158)
Impaired during the financial year	5,399	6,534
Written-back during the financial year	(4,828)	(6,563)
At 30 June	1,800	1,312

Movements in expected credit losses on clients' and brokers' balances are as follows:

The Group	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 1 July 2024	7	825	832
New financial assets originated	29	592	621
Financial assets derecognised	(41)	(591)	(632)
Allowance made	73	183	256
Allowance written-back	(59)	(190)	(249)
At 30 June 2025	9	819	828
At 1 July 2023	9	857	866
New financial assets originated	38	30	68
Financial assets derecognised	(60)	(21)	(81)
Allowance made	61	54	115
Allowance written-back	(41)	(95)	(136)
At 30 June 2024	7	825	832

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

4 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Licensed banks	278,241	163,053	234,260	223,300

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Money market instruments				
Malaysian Government Securities	-	60,170	-	-
Malaysian Government Investment Issues	63,192	121,639	-	-
Negotiable instruments of deposits	-	50,071	-	-
	63,192	231,880	-	-
Quoted securities				
In Malaysia:				
Shares	133,286	162,911	-	75,165
Unit trust investment	110,056	110,442	109,840	110,233
	243,342	273,353	109,840	185,398
Unquoted securities				
Corporate bond and/or sukuk	145,325	89,874	-	-
	451,859	595,107	109,840	185,398

IBOR Reform

The Group holds the following financial assets at FVTPL which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	30.06.2025		30.06.2024	
	Total RM'000	Of which contract yet to transition to an alternative benchmark RM'000	Total RM'000	Of which contract yet to transition to an alternative benchmark RM'000
The Group				
Unquoted securities				
Corporate bond and/or sukuk				
- Kuala Lumpur Interbank Offered Rate ("KLIBOR")	145,325	145,325	89,874	89,874

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

6 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Money market instruments		
Malaysian Government Securities	234,530	361,331
Malaysian Government Investment Issues	734,437	580,790
Negotiable instruments of deposits	49,671	-
Cagamas bonds	96,909	85,597
	1,115,547	1,027,718
Unquoted securities		
Foreign currency bonds	121,601	141,927
Corporate bond and/or sukuk	852,599	873,215
	974,200	1,015,142
	2,089,747	2,042,860

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The expected credit losses is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

Movements in expected credit losses of debt instruments at FVOCI are as follows:

The Group	12 Months ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total ECL RM'000
At 1 July 2024	274	-	-	274
Allowances made	4	-	-	4
Amount written-back	(44)	-	-	(44)
New financial assets originated or purchased	157	-	-	157
Financial assets derecognised	(201)	-	-	(201)
Exchange differences	(13)	-	-	(13)
At 30 June 2025	177	-	-	177
At 1 July 2023	167	-	-	167
Allowances made	33	-	-	33
Amount written-back	(26)	-	-	(26)
New financial assets originated or purchased	218	-	-	218
Financial assets derecognised	(142)	-	-	(142)
Exchange differences	24	-	-	24
At 30 June 2024	274	-	-	274

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

7 FINANCIAL INVESTMENTS AT AMORTISED COST

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Money market instruments				
Malaysian Government Securities	477,637	622,679	-	-
Malaysian Government Investment Issues	691,131	642,612	-	-
	1,168,768	1,265,291	-	-
Unquoted securities				
Corporate bond and/or sukuk	20,072	39,994	1,974	-
Less: Expected credit losses	-	-	-	-
	1,188,840	1,305,285	1,974	-

8 LOANS AND ADVANCES

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Term loan financing	-	29,473
Share margin financing	271,095	279,689
Staff loans	-	14
Gross loans and advances	271,095	309,176
Less: Expected credit losses	(333)	(264)
Total net loans and advances	270,762	308,912

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

8 LOANS AND ADVANCES (CONTINUED)

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
(i) The maturity structure of loans and advances is as follows:		
Maturity within one year	271,095	309,162
One year to three years	-	14
Gross loans and advances	271,095	309,176
(ii) The loans and advances are disbursed to the following types of customers:		
Domestic non-bank financial institutions		
- others	-	29,473
Domestic business enterprises:		
- small and medium enterprises	49,473	51,964
- others	42,497	45,532
Individuals	172,448	177,384
Foreign entities	6,677	4,823
Gross loans and advances	271,095	309,176
(iii) Loans and advances analysed by interest rate sensitivity are as follows:		
Variable rate:		
- cost plus	271,095	309,162
Fixed rate:		
- staff housing loans	-	14
Gross loans and advances	271,095	309,176

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

8 LOANS AND ADVANCES (CONTINUED)

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
(iv) Loans and advances analysed by their economic purposes are as follows:		
Purchase of securities	271,095	279,689
Purchase of landed property	-	14
Others	-	29,473
Gross loans and advances	271,095	309,176
(v) Loans and advances analysed by geographical distribution are as follows:		
Malaysia	271,095	309,176
(vi) Impaired loans and advances		
Movements in the impaired loans and advances are as follows:		
At 1 July	-	126
Impaired during the financial year	-	2
Amount written-back during the financial year	-	(128)
At 30 June	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

8 LOANS AND ADVANCES (CONTINUED)

(vii) Movements in expected credit losses of loans and advances:

The Group	12 Months ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total ECL RM'000
At 1 July 2024	264	-	-	264
Change in ECL due to transfer within stages:	-	-	-	-
Transferred to Stage 1	10	(10)	-	-
Transferred to Stage 2	(10)	10	-	-
New financial assets originated	232	-	-	232
Financial assets derecognised	(5)	-	-	(5)
Allowance made	44	1	-	45
Allowance written-back	(203)	-	-	(203)
At 30 June 2025	332	1	-	333
At 1 July 2023	315	23	-	338
Change in ECL due to transfer within stages:	2	(2)	-	-
Transferred to Stage 1	6	(6)	-	-
Transferred to Stage 2	(4)	4	-	-
New financial assets originated	18	-	-	18
Financial assets derecognised	(62)	(19)	-	(81)
Allowance made	176	1	-	177
Allowance written-back	(185)	(3)	-	(188)
At 30 June 2024	264	-	-	264

(viii) Movement in the gross carrying amount of financial assets that contributed to changes in the expected credit losses:

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 July 2024	308,479	697	-	309,176
Total transfer within stages:	(183)	183	-	-
Transferred to Stage 1	19,247	(19,247)	-	-
Transferred to Stage 2	(19,430)	19,430	-	-
New financial assets originated	215,080	2,244	-	217,324
Financial assets derecognised	(254,176)	(1,229)	-	(255,405)
At 30 June 2025	269,200	1,895	-	271,095

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

8 LOANS AND ADVANCES (CONTINUED)

(viii) Movement in the gross carrying amount of financial assets that contributed to changes in the expected credit losses: (continued)

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 July 2023	400,672	9,357	126	410,155
Total transfer within stages:	5,849	(5,849)	-	-
Transferred to Stage 1	13,703	(13,703)	-	-
Transferred to Stage 2	(7,854)	7,854	-	-
New financial assets originated	168,638	3,119	2	171,759
Financial assets derecognised	(266,680)	(5,930)	(128)	(272,738)
At 30 June 2024	308,479	697	-	309,176

9 OTHER ASSETS

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Amounts due from holding company	(a)	-	11	-	-
Amounts due from related companies	(a)	8	24	-	-
Deposits		19,603	14,791	4	4
Prepayments		3,850	4,048	-	14
Fee income receivables		8,341	5,432	-	-
Collaterals pledged for derivative transactions		24,644	5,207	-	-
Treasury related receivables		163,194	193,304	-	-
Amount due from unit trust funds		8,047	20,237	-	-
Other receivables		8,742	8,213	889	766
Manager's stocks and consumables		2,104	1,138	-	-
		238,533	252,405	893	784
Less: Expected credit losses		(1,080)	(1,342)	-	-
		237,453	251,063	893	784

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

9 OTHER ASSETS (CONTINUED)

- (a) The amounts due from holding company and related companies are unsecured, interest free and repayable on demand.
- (b) Movements of expected credit losses on fee income receivables are as follows:

The Group	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 1 July 2024	64	1,278	1,342
New financial assets originated	107	-	107
Financial assets derecognised	(49)	(320)	(369)
At 30 June 2025	122	958	1,080
At 1 July 2023	5	1,380	1,385
New financial assets originated	59	-	59
Financial assets derecognised	(5)	(182)	(187)
Allowance made	5	80	85
At 30 June 2024	64	1,278	1,342

10 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA ("BNM")

The non-interest bearing statutory deposits are maintained by the banking subsidiary with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amount of which is determined at set percentages of total eligible liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

11 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Note	The Group	
		30.06.2025 RM'000	30.06.2024 RM'000
Deferred tax assets		61,210	78,570
At 1 July		78,570	97,574
Charged to income statements	34	(15,220)	(17,787)
Charged to equity		(2,140)	(1,217)
At 30 June		61,210	78,570
Deferred tax assets			
- settled more than 12 months		51,290	62,972
- settled within 12 months		14,864	18,657
Deferred tax liabilities			
- settled more than 12 months		(3,694)	(2,080)
- settled within 12 months		(1,250)	(979)
		61,210	78,570

The movements in deferred tax assets and liabilities during the financial year comprise the following:

The Group	Note	Property and equipment RM'000	Financial investments at FVOCI RM'000	Unutilised tax credits RM'000	Provisions RM'000	ROU assets RM'000	Lease liabilities RM'000	Total RM'000
At 1 July 2024		(134)	253	71,134	7,111	(2,924)	3,130	78,570
Credited/(Charged) to income statements	34	(531)	-	(13,130)	(1,566)	792	(785)	(15,220)
Charged to equity		-	(2,140)	-	-	-	-	(2,140)
At 30 June 2025		(665)	(1,887)	58,004	5,545	(2,132)	2,345	61,210
At 1 July 2023		(318)	1,470	89,605	6,551	(2,952)	3,218	97,574
Credited/(Charged) to income statements	34	184	-	(18,471)	560	28	(88)	(17,787)
Charged to equity		-	(1,217)	-	-	-	-	(1,217)
At 30 June 2024		(134)	253	71,134	7,111	(2,924)	3,130	78,570

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

11 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Tax losses		
Unutilised tax losses for which the related tax credit has not been recognised in the financial statements	3	31
Capital allowances		
Unutilised capital allowances for which the related tax credit has not been recognised in the financial statements	185	169

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits will be available against which the unutilised tax losses, tax credit and capital allowances can be utilised.

The Group's unutilised tax credit and capital allowances have no expiration date under current tax legislation.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses with no expiry period amounting to RM3,000 as at 30 June 2025 (2024: RM31,000) will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2019 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2020 to 2026).

12 INVESTMENT IN SUBSIDIARY COMPANIES

	Note	The Company	
		30.06.2025 RM'000	30.06.2024 RM'000
Subsidiary companies:			
Unquoted shares at cost	(a)	442,070	374,256
Less: Accumulated impairment losses	(b)	(126,682)	(127,682)
		315,388	246,574

- (a) During the financial year, HLCB subscribed to Redeemable Preference Shares ("RPS") issued by HLCB Assets Sdn Bhd, in exchange for the transfer of financial assets at FVTPL amounting to RM68.8 million.
- (b) The impairment allowance was due to reduction in a subsidiary's estimated future cash flows. In determining the impairment allowance, management has assessed the recoverable amount, being the higher of the fair value less costs to sell and value in use.

The investment in subsidiary is included within the reportable segment of 'Investment holding and others'.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

12 INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Details of the subsidiary companies are as follows:

Name of companies	Country of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
Hong Leong Investment Bank Berhad ("HLIB") and its subsidiaries	Malaysia	100	100	Investment banking, stockbroking business, futures broking and related financial services
- HLIB Nominees (Tempatan) Sdn Bhd	Malaysia	100	100	Nominee and custodian services for Malaysian clients
- HLIB Nominees (Asing) Sdn Bhd	Malaysia	100	100	Nominee and custodian services for foreign clients
HLG Securities Sdn Bhd	Malaysia	100	100	In member's voluntary liquidation
HLCB Assets Sdn Bhd	Malaysia	100	100	Investment activities
Hong Leong Asset Management Bhd and its subsidiary	Malaysia	100	100	Unit trust management, fund management and sale of unit trusts
- Hong Leong Islamic Asset Management Sdn Bhd	Malaysia	100	100	Islamic fund management service
Unincorporated trust for ESOS	Malaysia	-	-	Special purpose vehicle for ESOS purpose

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

13 PROPERTY AND EQUIPMENT

The Group 30.06.2025	Freehold land RM'000	Office and computer equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 July 2024	350	27,738	2,754	24,013	1,228	56,083
Additions	-	449	-	267	630	1,346
Write-off	-	(440)	(5)	(692)	-	(1,137)
At 30 June 2025	350	27,747	2,749	23,588	1,858	56,292
Accumulated depreciation						
At 1 July 2024	-	26,670	2,704	22,697	1,046	53,117
Charge for the financial year	-	705	23	525	76	1,329
Write-off	-	(440)	(5)	(692)	-	(1,137)
At 30 June 2025	-	26,935	2,722	22,530	1,122	53,309
Net book value						
At 30 June 2025	350	812	27	1,058	736	2,983

The Group 30.06.2024	Freehold land RM'000	Office and computer equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 July 2023	350	27,528	2,750	23,407	1,228	55,263
Additions	-	355	4	606	-	965
Write-off	-	(145)	-	-	-	(145)
At 30 June 2024	350	27,738	2,754	24,013	1,228	56,083
Accumulated depreciation						
At 1 July 2023	-	25,575	2,677	20,645	968	49,865
Charge for the financial year	-	1,240	27	2,052	78	3,397
Write-off	-	(145)	-	-	-	(145)
At 30 June 2024	-	26,670	2,704	22,697	1,046	53,117
Net book value						
At 30 June 2024	350	1,068	50	1,316	182	2,966

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

14 RIGHT-OF-USE ("ROU") ASSETS

The Group 30.06.2025	Leasehold Land RM'000	Leasehold Building RM'000	Properties RM'000	Equipment RM'000	Total RM'000
Cost					
At 1 July 2024	783	871	28,855	786	31,295
End of lease term	-	-	(35)	-	(35)
Adjustment	-	-	39	-	39
Modifications	-	-	1,433	-	1,433
Write-off	-	-	(132)	(44)	(176)
At 30 June 2025	783	871	30,160	742	32,556
Accumulated depreciation					
At 1 July 2024	98	256	16,936	281	17,571
Charge for the financial year	8	16	3,463	121	3,608
End of lease term	-	-	(35)	-	(35)
Adjustment	-	-	21	-	21
Write-off	-	-	(132)	(44)	(176)
At 30 June 2025	106	272	20,253	358	20,989
Net book value					
At 30 June 2025	677	599	9,907	384	11,567

The Group 30.06.2024	Leasehold Land RM'000	Leasehold Building RM'000	Properties RM'000	Equipment RM'000	Total RM'000
Cost					
At 1 July 2023	783	871	25,140	855	27,649
Additions	-	-	64	-	64
End of lease term	-	-	(114)	(69)	(183)
Adjustments	-	-	145	-	145
Modifications	-	-	313	-	313
Remeasurement	-	-	3,307	-	3,307
At 30 June 2024	783	871	28,855	786	31,295
Accumulated depreciation					
At 1 July 2023	90	240	13,298	222	13,850
Charge for the financial year	8	16	3,752	128	3,904
End of lease term	-	-	(114)	(69)	(183)
At 30 June 2024	98	256	16,936	281	17,571
Net book value					
At 30 June 2024	685	615	11,919	505	13,724

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

15 OTHER INTANGIBLE ASSETS

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Computer software		
Cost		
At 1 July	37,502	34,986
Additions*	3,512	2,516
At 30 June	41,014	37,502
Amortisation		
At 1 July	(31,743)	(29,298)
Charge for the financial year	(2,309)	(2,445)
At 30 June	(34,052)	(31,743)
Net book value		
At 30 June	6,962	5,759

* Inclusive of RM2,476,602 as Work-In-Progress ("WIP") as at 30 June 2025 (2024: RM1,576,885). The amortisation of the amount capitalised will commence when the project goes live.

16 GOODWILL

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Cost		
At 1 July/30 June	33,059	33,059

Allocation of goodwill to cash-generating units

Goodwill has been allocated to the following cash-generating units ("CGUs"):

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
CGUs		
Investment banking and stockbroking	28,986	28,986
Unit trust management	4,073	4,073
	33,059	33,059

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

16 GOODWILL (CONTINUED)

Impairment test on goodwill

The recoverable amount of CGUs have been determined based on value in use calculation. These calculations use pre-tax cash flows projections based on financial budgets approved by Directors covering a three year period. Cash flows beyond the three year period are extrapolated using the estimated growth rates of 4.0% (2024: 4.1%), based on the forecasted Gross Domestic Product ("GDP") growth rate of the country for all CGUs and discounted using pre-tax discount rates which reflect the specific risks relating to CGU.

The cash flows projections are derived based on a number of key factors including the past performance and management's expectations of the market development. The following are the discount rates used in determining the recoverable amount of each CGUs:

	The Group	
	30.06.2025 %	30.06.2024 %
<u>CGUs</u>		
Investment banking and stockbroking	8.2	9.2
Unit trust management	8.2	9.0

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

For the current financial year, impairment was not required for goodwill arising from investment banking and stockbroking, and unit trust management. Management believes that any reasonable possible change to the assumptions applied is not likely to cause the recoverable amount to be lower than carrying amount.

17 DEPOSITS FROM CUSTOMERS

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Fixed deposits	567,965	758,755
(i) Maturity structure of fixed deposits is as follows:		
Due within:		
- six months	567,965	758,755
(ii) The deposits are sourced from the following customers:		
Government and statutory bodies	417,150	481,823
Business enterprises	136,573	262,313
Individual	14,242	14,619
	567,965	758,755

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Licensed banks	338,330	307,700
Licensed investment banks	-	47,481
Other financial institutions	2,529,996	2,452,655
	2,868,326	2,807,836

19 OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Obligations on securities sold under repurchased agreements are securities which the Group has sold from its investment portfolio, with a commitment to repurchase at future dates. Such financing and the obligation to repurchase the securities is reflected as a liability on the statements of financial position.

The financial assets sold under repurchase agreements are as follows:

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Financial investments at amortised cost	228,969	-

20 LEASE LIABILITIES

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
At 1 July	13,015	13,432
Additions	-	64
Interest expense	546	540
Lease payment	(4,090)	(4,382)
Adjustments	(75)	54
Modifications	1,746	-
Remeasurement	-	3,307
At 30 June	11,142	13,015

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

21 OTHER LIABILITIES

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Amount due to holding company	(a)	527	376	18	15
Amount due to related companies	(a)	1,872	1,548	328	179
Remisiers' trust deposits		12,627	13,914	-	-
Treasury related payables		63,422	193,882	-	-
Advance payments received for corporate exercise		-	5,008	-	-
Other payables and accrued liabilities		48,794	50,695	769	4,314
Equity related payables		24,807	44,113	-	-
Post employment benefits obligation:					
- defined contribution plan		225	224	-	-
		152,274	309,760	1,115	4,508

(a) The amount due to holding company and related companies are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

22 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

The table below shows the Group's derivative financial instruments as at the reporting date. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative assets) and gross negative (derivative liabilities) fair values at the reporting date are analysed below.

The Group	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000
30.06.2025			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- interest rate swaps	6,451,500	27,432	(37,934)
(ii) Foreign exchange related contracts:			
- foreign currency swaps	5,474,176	66,851	(59,186)
- foreign currency forwards	79,326	71	(2,167)
- foreign currency spots	416	-	-
(iii) Equity related contracts:			
- futures	25,532	8	-
	12,030,950	94,362	(99,287)
30.06.2024			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- interest rate swaps	5,441,000	15,552	(14,555)
(ii) Foreign exchange related contracts:			
- foreign currency swaps	4,478,060	11,327	(12,356)
- foreign currency forwards	58,946	38	(243)
- foreign currency spots	1,042	1	-
	9,979,048	26,918	(27,154)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

22 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)**IBOR Reform**

As at 30 June 2025, the Group holds the following derivative financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group and the Company			
	Assets RM'000	Of which contract yet to transition to an alternative benchmark RM'000	Liabilities RM'000	Of which contract yet to transition to an alternative benchmark RM'000
Interest rate derivatives:				
30.06.2025				
Interest rate swaps				
- KLIBOR	27,432	27,432	(37,934)	(37,934)
30.06.2024				
Interest rate swaps				
- KLIBOR	15,552	15,552	(14,555)	(14,555)

23 SUBORDINATED OBLIGATIONS

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Multi-currency Tier 2 Subordinated Notes, at par	100,000	100,000
Add: Interest payable	203	203
	100,203	100,203
Less: Unamortised discounts	(245)	(258)
	99,958	99,945

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

23 SUBORDINATED OBLIGATIONS (CONTINUED)

On 6 November 2014, HLIB had completed the first issuance of RM50.0 million nominal value of Tier 2 Subordinated Notes ("Sub-Notes") out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The RM50.0 million Sub-Notes will mature in 2024 and is callable on any coupon payment date falling on or after the 5th anniversary of the issue date. The Sub-Notes which bears interest rate of 5.30% per annum is payable semi-annually in arrears. The exercise of the call option on the Sub-Notes shall be subject to the approval of BNM. On 6 November 2019, HLIB had fully redeemed the first issuance of RM50.0 million nominal value of this Sub-Notes.

The Sub-Notes constitute unsecured liabilities of HLIB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of the HLIB in accordance with the terms and conditions of the issue, except to those liabilities, which by their terms, rank equally in right of payment with or are subordinated to the Sub-Notes. The Sub-Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLIB.

Subsequently, on 14 June 2019, HLIB issued a second tranche of RM100.0 million nominal value of 10-year non-callable 5 years Sub-Notes callable on 14 June 2024 (and thereafter) and due on 14 June 2029 out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The coupon rate for this second tranche of the Sub-Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue. On 14 June 2024, HLIB had fully redeemed the second tranche of RM100.0 million nominal value of this Sub-Notes.

On 13 June 2024, HLIB issued a third tranche of RM100.0 million nominal value of 10-year non-callable 5 years Tier 2 Green Subordinated Notes ("Green Sub-Notes") under its RM1.0 billion Multi-Currency Sub-Notes Programme. The third tranche Green Sub-Notes are callable on the 5th anniversary date from the issue date and on every coupon payment date thereafter with the first call date on 13 June 2029, subject to the approval of BNM.

The coupon rate for this third tranche of the Sub-Notes is 4.11% per annum, which is payable semi-annually in arrears from the date of this issue. The proceeds shall be utilised for purposes that meet the criteria as set out in the HLIB Green Bond Framework (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum and the Green Bond Principles issued by the International Capital Market Association.

24 SHARE CAPITAL

	The Group and the Company			
	30.06.2025		30.06.2024	
	Number of ordinary shares '000	RM'000	Number of ordinary shares '000	RM'000
Ordinary share issued and fully paid:				
At 1 July/30 June - Ordinary shares	246,896	246,896	246,896	246,896

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

25 RESERVES

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Retained profits	(a)	802,640	794,773	447,396	441,288
Regulatory reserve	(b)	15,874	17,177	-	-
Fair value reserve	(c)	6,152	(526)	-	-
		824,666	811,424	447,396	441,288

(a) Retained profits

The Company can distribute dividends out of its entire retained earnings under the single-tier system.

(b) Regulatory reserve

Regulatory reserves represent the Group's banking subsidiary, HLIB, compliance with BNM's Revised Policy Documents on Financial Reporting with effect from 1 January 2023, whereby HLIB and its domestic banking subsidiaries must maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

(c) Fair value reserve

Movement of the fair value reserve is as follows:

	Note	The Group		The Company	
		30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
At 1 July		(526)	(4,486)	-	-
Net gain from change in fair value		8,915	5,070	-	-
Net changes in expected credit losses		(97)	107	-	-
Deferred taxation	11	(2,140)	(1,217)	-	-
Net change in fair value reserve		6,678	3,960	-	-
At 30 June		6,152	(526)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

26 TREASURY SHARES

Treasury shares for ESOS scheme

MFRS 132 - Financial Instruments: Presentation and Disclosure requires that if an entity reacquires its own equity instruments, those instruments shall be deducted from equity and are not recognised as a financial asset regardless of the reason for which they are reacquired.

In accordance with MFRS 132 - Financial Instruments: Presentation and Disclosure, the shares purchased for the benefit of the ESOS holders are recorded as "Treasury Shares for ESOS Scheme" in the equity on the statements of financial position. As at reporting date, the number of shares held by the appointed trustee for the Group and the Company are as follows:

	30.06.2025		30.06.2024	
	Number of trust shares held '000	Cost RM'000	Number of trust shares held '000	Cost RM'000
The Group				
As at 1 July	11,111	31,157	11,111	31,157
Purchase of treasury shares	-	-	-	-
As at 30 June	11,111	31,157	11,111	31,157
The Company				
As at 1 July	11,006	31,044	11,006	31,044
Purchase of treasury shares	-	-	-	-
As at 30 June	11,006	31,044	11,006	31,044

27A INTEREST INCOME

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Loans and advances	16,017	18,234	-	-
Money at call and deposit placements with financial institutions	10,574	4,459	8,669	1,221
Financial investments at FVOCI	74,064	67,198	-	-
Financial investments at amortised cost	38,799	38,044	7	-
Others	34,344	34,744	-	-
	173,798	162,679	8,676	1,221

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

27B INTEREST INCOME FOR FINANCIAL ASSETS AT FVTPL

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Financial assets at FVTPL	21,376	19,125

28 INTEREST EXPENSE

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Deposits from customers	92,166	95,250
Deposits and placements of banks and other financial institutions	23,944	23,528
Obligations on securities sold under repurchase agreements	3,952	-
Lease liabilities	546	540
Derivative financial instruments	6,298	6,456
Tier 2 subordinated obligations	4,166	4,251
Others	749	583
	131,821	130,608

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

29 NON-INTEREST INCOME

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Fee income				
Brokerage income	77,196	88,743	-	-
Unit trust fee income	43,117	57,741	-	-
Commission for futures contracts	1,181	1,091	-	-
Fees on loans and advances	251	10	-	-
Arranger fees	3,142	3,805	-	-
Placement fees	8,797	8,882	-	-
Corporate advisory fees	7,234	5,760	-	-
Underwriting commissions	955	333	-	-
Other fee income	10,238	7,284	-	-
	152,111	173,649	-	-
Less: brokerage expenses	(22,076)	(23,169)	-	-
	130,035	150,480	-	-
Net income from securities				
Net realised gain/(loss) arising from sale of:				
- Financial assets at FVTPL	2,506	20,231	5,982	1,092
- Financial investments at FVOCI	19,807	11,607	-	-
- Derivative financial instruments	(10,114)	15,861	-	-
Net unrealised gain/(loss) on revaluation of:				
- Financial assets at FVTPL	(3,818)	17,787	(5,497)	18,557
- Derivative financial instruments	(4,333)	(12,686)	-	-
Dividend income from:				
- Financial assets at FVTPL	8,029	14,183	4,381	11,473
- Subsidiary companies	-	-	50,460	28,710
Net gain on discontinued fair value hedges	2,406	3,562	-	-
	14,483	70,545	55,326	59,832
Other income				
Foreign exchange gain/(loss)	7,993	(3,094)	-	-
Other non-operating income	676	654	13	-
	8,669	(2,440)	13	-
	153,187	218,585	55,339	59,832

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

30 OVERHEAD EXPENSES

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Personnel costs	89,495	97,566	917	314
Establishment costs	23,495	25,303	137	72
Marketing expenses	2,530	2,345	17	-
Administration and general expenses	22,948	22,806	1,555	1,905
	138,468	148,020	2,626	2,291

(i) Personnel costs comprise the following:

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Salaries, allowances and bonuses	73,454	80,170	-	-
Other employees benefits	16,041	17,396	917	314
	89,495	97,566	917	314

(ii) Establishment costs comprise the following:

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Depreciation of property and equipment	1,329	3,397	-	-
Depreciation of ROU assets	3,608	3,904	-	-
Amortisation of intangible assets				
- computer software	2,309	2,445	-	-
Rental of premises	221	118	-	-
Information technology expenses	13,236	12,420	-	2
Others	2,792	3,019	137	70
	23,495	25,303	137	72

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

30 OVERHEAD EXPENSES (CONTINUED)

(iii) Marketing expenses comprise the following:

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Advertisement and publicity	693	770	5	-
Entertainment and business improvement	1,320	1,075	-	-
Others	517	500	12	-
	2,530	2,345	17	-

(iv) Administration and general expenses comprise the following:

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Communication expenses	1,019	910	25	15
Management fees	5,570	6,750	513	1,071
Professional fees	1,236	1,292	72	36
Auditors' remuneration:				
- statutory audit fees	454	454	88	88
- regulatory related fees	72	72	13	13
- tax compliance fees	32	32	-	-
Others	14,565	13,296	844	682
	22,948	22,806	1,555	1,905

Included in the overhead expenses of the Group and the Company are Directors' remuneration amounting to RM7,333,000 (2024: RM7,966,000) and RM508,000 (2024: RM438,000) respectively.

There was no indemnity given or insurance effected for any auditor of the Group and the Company during the annual financial year and its comparative financial year.

31 (ALLOWANCE FOR)/WRITE-BACK OF IMPAIRMENT LOSSES ON LOANS AND ADVANCES

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Expected credit losses (allowance for)/written-back on:		
- Loans and advances	(69)	74

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

32 WRITE-BACK OF ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Expected credit losses written-back/(made) on:		
(a) Financial investments:		
- Financial investments at FVOCI	97	(107)
(b) Other financial assets:		
(i) Clients' and brokers' balances:		
- Expected credit losses	4	34
- Impaired clients' and brokers' balances recovered	93	56
(ii) Other assets	262	43
	359	133
	456	26

33 DIRECTORS' REMUNERATION

	The Group			The Company		
	Director fees	Salaries, bonuses, allowances and defined contribution retirement plan	Total	Director fees	Salaries, bonuses, allowances and defined contribution retirement plan	Total
30.06.2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors:						
Tan Kong Khoon	-	-	-	-	-	-
Tai Siew Moi	140	28	168	140	28	168
Leong Ket Ti	138	26	164	138	26	164
Peter Ho Kok Wai	148	28	176	148	28	176
Lee Jim Leng	-	4,392	4,392	-	-	-
	426	4,474	4,900	426	82	508
Directors of subsidiaries	821	1,612	2,433	-	-	-
Total Directors' remuneration	1,247	6,086	7,333	426	82	508

The movements and details of the Directors of the Company in office and interests in shares and share options are reported in the Directors' report.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

33 DIRECTORS' REMUNERATION (CONTINUED)

	The Group			The Company		
	Director fees	Salaries, bonuses, allowances and defined contribution retirement plan	Total	Director fees	Salaries, bonuses, allowances and defined contribution retirement plan	Total
30.06.2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors:						
Tan Kong Khoon	-	-	-	-	-	-
Tai Siew Moi	125	18	143	125	18	143
Leong Ket Ti	125	17	142	125	17	142
Peter Ho Kok Wai	135	18	153	135	18	153
Lee Jim Leng	-	4,188	4,188	-	-	-
	385	4,241	4,626	385	53	438
Directors of subsidiaries	829	2,511	3,340	-	-	-
Total Directors' remuneration	1,214	6,752	7,966	385	53	438

Included in the Non-Executive Directors' remunerations are amounts paid to Directors in their capabilities as key management personnel for certain subsidiary companies.

The Directors' Remuneration in the current financial year represents remuneration for Directors of the Group, the Company and its subsidiaries to comply with the requirements of the Companies Act 2016. The names of directors of subsidiaries and their remuneration details are set out in the respective subsidiary's statutory accounts and the said information is deemed incorporated herein by such reference and made a part thereof.

During the financial year, Directors and Officers of the Group are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance effected for the Directors and Officers of the immediate holding company and its subsidiaries was RM10.0 million. The total amount of premium paid for the Directors' & Officers' Liability Insurance by the immediate holding company and its subsidiaries was RM85,500 (2024: RM85,500) and the apportioned amount of the said premium paid by the Group was RM1,690 (2024: RM812).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

34 TAXATION

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Malaysian income tax:				
- current financial year's charge	4,800	6,121	3,407	469
- under/(over) provision in prior financial years	2	42	(22)	25
	4,802	6,163	3,385	494
Deferred taxation (Note 11):				
- relating to origination and reversal of temporary differences	15,220	17,787	-	-
	15,220	17,787	-	-
	20,022	23,950	3,385	494

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Profit before taxation	78,459	121,861	61,389	58,762
Tax calculated at a rate of 24%	18,830	29,247	14,733	14,103
Tax effects of:				
- Income not subject to tax	(1,084)	(7,908)	(11,845)	(14,098)
- Expenses not deductible for tax purposes	2,278	1,522	519	464
- Recognition of unabsorbed business losses previously not recognised	-	(192)	-	-
- Recognition of unutilised tax credit previously not recognised	-	(199)	-	-
- Origination of temporary differences previously not recognised	2	1,458	-	-
- Utilisation of unutilised tax losses previously not recognised	(6)	(20)	-	-
- Under/(Over) provision in prior financial years	2	42	(22)	25
Tax expense for the financial year	20,022	23,950	3,385	494

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

35 EARNINGS PER SHARE

The basic earnings per share has been calculated by dividing the net profit for the financial year of the Group by the number of ordinary shares in issue excluding the weighted average shares held by ESOS Trust during the financial year as follows:

	The Group	
	30.06.2025	30.06.2024
(a) Basic earnings per share		
Net profit attributable to equity holders of the Company (RM'000)	58,437	97,911
Weighted average number of ordinary shares in issue ('000)	235,785	235,785
Basic earnings per share (sen)	24.8	41.5

(b) Diluted earnings per share

There is no diluted earnings per share as the Group has no category of dilutive potential ordinary shares outstanding as at 30 June 2025 and 30 June 2024.

36 DIVIDENDS

Dividends declared as follows:

	The Group and the Company			
	30.06.2025		30.06.2024	
	Single-tier dividend per share Sen	Amount of dividend RM'000	Single-tier dividend per share Sen	Amount of dividend RM'000
Ordinary shares	19.0	46,910	22.0	54,317

The Directors of the Company have declared on 27 August 2025 the payment of a final single-tier dividend of 19 sen per share on the Company's issued and paid-up ordinary shares of RM246,896,668 comprising 246,896,668 of ordinary shares amounting to RM46.9 million for the financial year ended 30 June 2025, to be paid on a date to be determined.

Dividends recognised as distribution to ordinary equity holders of the Group and the Company:

	The Group			
	30.06.2025		30.06.2024	
	Single-tier dividend per share Sen	Amount of dividend RM'000	Single-tier dividend per share Sen	Amount of dividend RM'000
Ordinary shares	22.0	51,873	17.0	40,084

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

36 DIVIDENDS (CONTINUED)

	The Company			
	30.06.2025		30.06.2024	
	Single-tier dividend per share Sen	Amount of dividend RM'000	Single-tier dividend per share Sen	Amount of dividend RM'000
Ordinary shares	22.0	51,896	17.0	40,101

In respect of the financial year ended 30 June 2024, dividend paid on the shares held in trust pursuant to the Company's Executive Share Option Scheme ("ESOS") which are classified as treasury shares held for ESOS scheme are not accounted for in the total equity. An amount of RM2,444,354 (Group) and RM2,421,254 (Company), being dividend paid for these shares was added back to the appropriation of retained profits.

37 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the investment banking subsidiary make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are also not secured over the assets of the Group.

The commitments and contingencies are as follows:

	30.06.2025 Principal amount RM'000	30.06.2024 Principal amount RM'000
The Group		
Commitments and contingencies		
Direct credit substitutes	1,000	1,000
Other commitments, such as formal standby facilities and credit lines, with an original maturity:		
- less than one year	47,000	600
- over one year	30,000	-
Any commitment that are unconditionally cancelled at any time by the Group without prior notice		
- maturity less than one year	863,605	868,108
	941,605	869,708
Derivative financial instruments		
Interest rate related contracts [^] :		
- One year or less	864,000	1,736,000
- Over one year to five years	5,587,500	3,705,000
Foreign exchange related contracts [^] :		
- One year or less	5,553,918	4,538,048
Equity related contracts [^] :		
- One year or less	25,532	-
	12,030,950	9,979,048
	12,972,555	10,848,756

[^] These derivatives are revalued at gross position basis and the fair value have been reflected in Note 22 to the financial statements as derivative financial assets or derivatives financial liabilities.

The Group does not have commitments and contingent liabilities other than as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

38 CAPITAL COMMITMENTS

	The Group	
	30.06.2025 RM'000	30.06.2024 RM'000
Property and equipment		
- approved and contracted but not provided for	3,371	3,540

39 CAPITAL MANAGEMENT

The Group's capital is in relation to its risk profile and strategic objectives set by the Board to meet shareholders' requirements and expectations. The components of the total capital are disclosed in Note 24 and 25. The Group's banking subsidiary's Capital Management framework for maintaining appropriate capital levels has complied with the requirements of Bank Negara Malaysia's Revised Risk Weighted Capital Adequacy Framework. The capital adequacy ratios of the banking subsidiary are disclosed in Note 40.

40 CAPITAL ADEQUACY

The Group's banking subsidiary's regulatory capital is governed by BNM's Capital Adequacy Framework guidelines. The capital adequacy ratios of the Group's banking subsidiary are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) (the "Framework"). The Framework sets out the approach for computing the regulatory capital adequacy ratios, the minimum levels of the ratios at which banking institutions are required to operate as well as requirement on Capital Conservation Buffer ("CCB") and Counter Cyclical Buffer ("CCyB"). The Group's banking subsidiary is also required to maintain CCB of up to 2.500% of total risk weighted assets ("RWA"), which is phased in starting with 0.625% in year 2016, 1.250% in year 2017, 1.875% in year 2018 and 2.500% in year 2019. The CCyB which ranges from 0% up to 2.500% is determined as the weighted average of prevailing CCyB rates applied in the jurisdictions in which a financial institution has credit exposures.

The minimum capital adequacy including CCB for Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and Total capital ratio are 7.000%, 8.500% and 10.500% respectively.

The Group's banking subsidiary has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk computation in deriving the RWA.

- (i) The capital adequacy ratios of the banking subsidiary are as follows:

	HLIB	
	30.06.2025	30.06.2024
Before deducting proposed dividends:		
Common Equity Tier 1 ("CET 1") capital ratio	35.611%	39.073%
Tier 1 capital ratio	35.687%	39.073%
Total capital ratio	43.768%	48.419%
After deducting proposed dividends: ⁽¹⁾		
CET 1 capital ratio	32.738%	35.814%
Tier 1 capital ratio	32.814%	35.814%
Total capital ratio	40.895%	45.160%

Note:

⁽¹⁾ Proposed dividends of RM37,950,000 (2024: RM36,960,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

40 CAPITAL ADEQUACY (CONTINUED)

(ii) The components of CET 1, Tier 1 and Total capital of the banking subsidiaries are as follows:

	HLIB	
	30.06.2025 RM'000	30.06.2024 RM'000
CET 1 capital		
Paid-up ordinary share capital	252,950	252,950
Retained profits	310,183	301,631
Other reserves	6,152	(526)
Less: goodwill and intangibles	(34,915)	(33,766)
Less: deferred tax assets	(60,383)	(76,877)
Less: investment in subsidiary companies	(200)	(200)
Less: 55% of cumulative gains of financial instruments at FVOCI	(3,384)	-
Total CET 1 capital	470,403	443,212
Additional Tier 1 capital securities	1,000	-
	471,403	443,212
Tier 1 capital		
Tier 2 capital		
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves ⁽²⁾	6,743	6,015
Subordinated obligations	100,000	100,000
Total Tier 2 capital	106,743	106,015
Total capital	578,146	549,227

Note:

⁽²⁾ Includes the qualifying regulatory reserve for non-impaired loans and advances.

(iii) Breakdown of risk-weighted assets of the banking subsidiary company in the various risk weights:

	HLIB	
	30.06.2025 RM'000	30.06.2024 RM'000
Credit risk	528,319	481,209
Exposures to Central Counterparties	11,116	-
Total Credit risk	539,435	481,209
Market risk	479,647	354,403
Operational risk	301,853	298,716
	1,320,935	1,134,328

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

41 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties and their relationships with the Company are as follows:

Related parties	<u>Relationship</u>
Hong Leong Company (Malaysia) Berhad ("HLCM")	Ultimate holding company
Hong Leong Financial Group Berhad ("HLFG")	Immediate holding company
Subsidiary companies of the Company as disclosed in Note 12	Subsidiaries
Subsidiary companies of HLCM	Subsidiaries of ultimate holding company
Subsidiary companies of HLFG	Subsidiaries of immediate holding company
Key management personnel	The key management personnel of the Group and the Company consists of: - All Directors of the Group and the Company - Key management personnel of the Group and the Company who have the authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly
Related parties of key management personnel (deemed as related to the Company)	(i) Close family members and dependents of key management personnel (ii) Entities that are controlled, jointly controlled or for which significant voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions

Transactions with related parties are as follows:

The Group	Parent company RM'000	Other* related companies RM'000	Key management personnel RM'000
30.06.2025			
Income			
Interest income	-	4,475	-
Brokerage income	-	287	38
Corporate advisory fee	-	40	-
Arranger fee	300	-	-
Placement fee	-	975	-
Other fee income	80	2,049	-
Other income	-	164	-
Loss on securities and derivatives	-	(6,606)	-
	380	1,384	38
Expenses			
Interest expense	813	1,211	259
Direct cost to unit trust fee income	-	11,274	-
Management fees	2,524	3,046	-
Lease payment	-	4,252	-
Others	10	5,632	-
	3,347	25,415	259
Amounts due from:			
Cash and short-term funds	-	27,751	-
Deposits and placements with banks and other financial institutions	-	3,000	-
Financial assets at FVTPL	-	2,988	-
Financial investments at FVOCI	-	49,671	-
Derivative financial assets	-	2,463	-
Clients' and brokers' balances	-	6,484	-
Other assets	-	1,014	-
	-	93,371	-
Amounts due to:			
Deposits from customers	-	-	5,721
Deposits and placements of banks and other financial institutions	-	118,129	-
Derivative financial liabilities	-	9,371	-
Clients' and brokers' balances	-	157	-
Other liabilities	527	1,872	438
	527	129,529	6,159
Commitments and contingencies			
Derivative financial instruments	-	808,748	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions (continued)

Transactions with related parties are as follows: (continued)

The Company	Parent company RM'000	Subsidiaries RM'000	Other* related companies RM'000	Key management personnel RM'000
30.06.2025				
Income				
Interest income	-	4,191	76	-
Dividends	-	50,460	-	-
	-	54,651	76	-
Expenses				
Management fees	185	-	328	-
Others	-	1,109	38	-
	185	1,109	366	-
Amounts due from:				
Cash and short-term funds	-	-	2,375	-
Deposits and placements with banks and other financial institutions	-	109,560	-	-
Financial investments at amortised cost	-	1,974	-	-
Other assets	-	624	-	-
	-	112,158	2,375	-
Amounts due to:				
Other liabilities	18	-	328	438

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions (continued)

Transactions with related parties are as follows: (continued)

The Group	Parent company RM'000	Other* related companies RM'000	Key management personnel RM'000
30.06.2024			
Income			
Interest income	-	9,836	-
Brokerage income	-	1,951	235
Arranger fee	-	180	-
Placement fee	-	2,200	-
Other fee income	60	14,268	-
Other income	-	87	-
Loss on securities and derivatives	-	(3,582)	-
	60	24,940	235
Expenses			
Interest expense	-	1,362	398
Direct cost to unit trust fee income	-	14,649	-
Management fees	2,457	4,253	-
Lease payment	-	4,360	-
Others	13	5,611	-
	2,470	30,235	398
Amounts due from:			
Cash and short-term funds	-	47,506	-
Deposits and placements with banks and other financial institutions	-	2,000	-
Financial assets at FVTPL	-	3,348	-
Derivative financial assets	-	3,215	-
Clients' and brokers' balances	-	33,158	-
Other assets	11	1,075	-
	11	90,302	-
Amounts due to:			
Deposits from customers	-	-	9,555
Derivative financial liabilities	-	1,228	-
Clients' and brokers' balances	-	31,408	-
Other liabilities	376	1,526	460
	376	34,162	10,015
Commitments and contingencies			
Derivative financial instruments	-	551,000	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions (continued)

Transactions with related parties are as follows: (continued)

The Company	Parent company RM'000	Subsidiaries RM'000	Other* related companies RM'000	Key management personnel RM'000
30.06.2024				
Income				
Interest income	-	829	339	-
Dividends	-	28,710	-	-
	-	29,539	339	-
Expenses				
Management fees	169	-	902	-
Others	-	409	33	-
	169	409	935	-
Amounts due from:				
Cash and short-term funds	-	-	1,439	-
Deposits and placements with banks and other financial institutions	-	112,300	-	-
Other assets	-	336	-	-
	-	112,636	1,439	-
Amounts due to:				
Other liabilities	15	-	179	460

* Other related companies refers to related parties stated in Note 41(a), excluding the parent company (Hong Leong Financial Group Berhad) and subsidiaries of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel

Key management compensation

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Salaries, allowances and other short-term employee benefits	8,611	8,409	82	53
Fees	426	385	426	385
	9,037	8,794	508	438

Included in the above is the Directors' remuneration which is disclosed in Note 33.

42 SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

No analysis by geographical segments is presented as the Group's operations are substantially carried out in Malaysia.

Inter-segment pricing is determined based on negotiated terms. These transactions are eliminated on consolidation.

Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

Investment banking and stockbroking	- Investment banking, stockbroking business, futures broking and related financial services
Fund management and unit trust management	- Unit trust management, fund management and sale of unit trusts
Investment holding and others	- Investment holdings and others

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

42 SEGMENTAL INFORMATION (CONTINUED)

The Group	Investment banking and stockbroking RM'000	Fund management and unit trust management RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
30.06.2025					
Net interest income					
External revenue	57,763	912	4,678	-	63,353
Inter-segment revenue	(4,206)	-	4,191	15	-
	53,557	912	8,869	15	63,353
Non-interest income					
External revenue	106,073	43,293	3,821	-	153,187
Inter-segment revenue	6,526	-	50,460	(56,986)	-
	112,599	43,293	54,281	(56,986)	153,187
Total revenue	166,156	44,205	63,150	(56,971)	216,540
Overhead expenses	(107,980)	(34,015)	(2,691)	6,218	(138,468)
Net allowance written-back for impairment losses on loans and advances and other losses	387	-	-	-	387
Results					
Segment results from operations	58,563	10,190	60,459	(50,753)	78,459
Tax expense for the financial year					(20,022)
Net profit for the financial year					58,437
Assets					
Segment assets	4,903,310	139,678	734,724	(427,666)	5,350,046
Liabilities					
Segment liabilities	4,318,152	100,596	2,819	(111,926)	4,309,641
Other informations					
Capital expenditure	4,544	314	-	-	4,858
Depreciation of property and equipment	1,055	274	-	-	1,329
Depreciation of ROU assets	3,069	539	-	-	3,608
Amortisation of intangible assets					
- computer software	2,078	231	-	-	2,309
Allowance for impairment losses on loans and advances	(69)	-	-	-	(69)
Write-back of impairment losses on financial investments and other financial assets	456	-	-	-	456

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

42 SEGMENTAL INFORMATION (CONTINUED)

The Group	Investment banking and stockbroking RM'000	Fund management and unit trust management RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
30.06.2024					
Net interest income					
External revenue	49,828	684	684	-	51,196
Inter-segment revenue	(722)	-	722	-	-
	49,106	684	1,406	-	51,196
Non-interest income					
External revenue	125,475	58,178	34,932	-	218,585
Inter-segment revenue	5,359	3,709	25,001	(34,069)	-
	130,834	61,887	59,933	(34,069)	218,585
Total revenue	179,940	62,571	61,339	(34,069)	269,781
Overhead expenses	(108,484)	(42,762)	(2,312)	5,538	(148,020)
Net allowance written-back for impairment losses on loans and advances and other losses	100	-	-	-	100
Results					
Segment results from operations	71,556	19,809	59,027	(28,531)	121,861
Tax expense for the financial year					(23,950)
Net profit for the financial year					97,911
Assets					
Segment assets	4,891,496	88,484	676,056	(376,477)	5,279,559
Liabilities					
Segment liabilities	4,320,264	57,478	4,477	(129,823)	4,252,396
Other informations					
Capital expenditure	2,983	498	-	-	3,481
Depreciation of property and equipment	2,834	563	-	-	3,397
Depreciation of ROU assets	3,346	558	-	-	3,904
Amortisation of intangible assets					
- computer software	2,240	205	-	-	2,445
Write-back of impairment losses on loans and advances	74	-	-	-	74
Write-back of impairment losses on financial investments and other financial assets	26	-	-	-	26

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS

(a) Risk management objectives and policies

Risk management is one of the core activities of the Group to strike a balance between sound practices and risk-return. An effective risk management is therefore vital to ensure that the Group conducts its business in a prudent manner to ensure that the risk of potential losses is reduced.

Credit risk

Credit risk arises as a result of customers or counterparties not being able to or willing to fulfil their financial and contractual obligations as and when they fall due. The Group has established a credit risk management framework (via the Core Credit Risk Policy) to ensure that exposure to credit risk is kept within the Group's financial capacity to withstand potential future losses. Financing activities are also guided by internal credit policies. The above policies are subject to reviews and enhancements, at least on an annual basis.

To assess the credit risk of a counterparty or client, they are evaluated based on relevant factors such as the customer's financial position, industry outlook, types of facilities and collaterals offered; and are assigned with a credit rating which would reflect their credit worthiness and the likelihood of the obligors to repay their debts.

The Group has a comprehensive credit approving process. While the business units are responsible for credit origination, the credit decisioning function rests mainly with the Management Credit and Underwriting Committee ("MCUC") and Underwriting Supervisory Committee ("CUSC"). The Board delegates the approving and discretionary authority to the MCUC, CUSC and various personnel based on job function and designation.

For any new products or product variation, credit risk assessment also forms part of the new product or product variation sign-off process to ensure that the new product complies with the appropriate policies and guidelines, prior to their introduction.

Credit risk reports are presented to the relevant Management and Board level committees. Such reports identify adverse credit trends and asset quality to enable the Group to take prompt corrective actions and/or take appropriate risk-adjusted decisions.

The Risk Management Department conducts independent credit reviews on a portfolio basis, which cover the Treasury & Markets, Debt Markets, Corporate Banking and Stockbroking portfolios, providing an independent and where appropriate, countervailing perspective on credit risk management issues including business performance, credit decisions, overall assets quality and credit operations robustness.

In addition, the Group also conducts periodic stress testing of its credit portfolios to ascertain the credit risk impact to capital under the relevant stress scenarios.

Market risk

Market risk is the risk of loss arising from adverse fluctuation in market prices, such as interest rates, equity prices and foreign currency. The Group monitors all such exposures arising from trading activities of the treasury and stockbroking business activities on a daily basis and management is alerted on the financial impact of these risks. To mitigate market risk, the Group also uses derivative financial instruments.

The Group has in place a set of policies, guidelines, measurement methodologies and control limits which includes Value-at-Risk ("VaR"), Present-Value-Basis-Point ("PVBp"), Management Action Trigger ("MAT"), notional limits and concentration limits to mitigate market risk.

Stress testing is also employed to capture the potential market risk exposures from unexpected market movements. Concerns and significant findings are communicated to the senior management at the Assets and Liabilities Management Committee ("ALMCO") and to the Board.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is defined as the current and prospective risk arising from the inability of the Group to meet its contractual or contingent obligations when they become due without incurring substantial losses. The liquidity risk is identified based on concentration, scarcity of source of fund and funding maturity structure and it is measured primarily using BNM's Liquidity Coverage Ratio, BNM's Net Stable Funding Ratio and depositor's concentration ratios. The Group seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances.

Interest rate benchmark reform

Interest rate benchmarks such as interbank offered rates ("IBORs") have played an important role in global financial markets. These benchmarks index trillions of dollars in a wide variety of financial products, ranging from mortgages to derivatives. With recent market developments, question has been brought in on the long-term reliability of such benchmarks. In some jurisdictions, it is now a clear steer towards replacing existing benchmarks with alternative, nearly risk-free rates (referred to as 'IBOR reform'). The introduction of new alternative reference rate ("ARR") or IBOR reform aims to facilitate usage of benchmark rates that are more robust and based upon transaction in active, liquid markets. As at 30 June 2025, the Group has exposure to Kuala Lumpur Interbank Offered Rate ("KLIBOR").

On 27 September 2021, in line with the London Interbank Offered Rate ("LIBOR") reforms after the Global Financial Crisis, BNM has announced the launch of the Malaysia Overnight Rate ("MYOR") as the new ARR for Malaysia. Globally, ARRs are being introduced to improve the integrity of financial benchmark rates as part of a transition to transaction-based rates. The MYOR will run in parallel to the existing KLIBOR with periodic reviews to ensure that the financial benchmark rates remain robust and reflective of an active underlying market. The availability of two financial benchmark rates provides market participants with the flexibility to choose the rate that best suits their needs and facilitates the development of MYOR-based products.

The BNM had discontinued the publication of the 2- and 12-month KLIBOR tenors, which are the least referenced rates in the market for financial contracts, on 1 January 2023. The remaining 1-, 3- and 6-month KLIBOR tenors, which continue to reflect an active underlying market continued to be published. The Financial Markets Committee ("FMC") will engage the International Swaps and Derivatives Association ("ISDA") to ensure continuity of KLIBOR derivative contracts in the event of a temporary or permanent discontinuation of KLIBOR publication.

There remain key differences between KLIBOR and MYOR. KLIBOR is a 'term rate', which means it is published for a borrowing period (i.e. 3- or 6-month tenor) and is 'forward looking', because it is published at the beginning of the borrowing period. MYOR is a 'backward-looking' rate, based on unsecured overnight Malaysian Ringgit interbank transactions in the Malaysian financial market, and it is published on the next business day (i.e. at the end of the overnight borrowing period). Furthermore, KLIBOR includes a credit spread over the risk-free rate, while MYOR currently does not. On transition existing contracts and agreements that reference KLIBOR to MYOR, adjustments for term and credit differences might need to be applied to MYOR, to enable the two benchmark rates to be economically equivalent on transition.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)**(a) Risk management objectives and policies (continued)****Interest rate benchmark reform (continued)**

The Group has set up an internal working group and the key objectives of the internal working group include the followings:

- identifying contracts in scope of benchmark reform;
- considering changes to internal systems, processes, risk management and valuation models;
- allocation of roles and responsibilities and identification of relevant responsible parties to execute and implement the transition; and
- managing any related tax and accounting implications.

The main risks to which the Group has been exposed as a result of IBOR reform are operational. The operational risks will arise during the renegotiation of financial contracts through bilateral negotiation with customers, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform and regulatory risks. Financial risk is predominantly limited to interest rate risk.

As at 30 June 2025, changes required to systems, processes and models have been identified and have been partially implemented. The Group has identified all KLIBOR-linked contracts as at 30 June 2025 and all contracts was referenced to 3-month KLIBOR. The Group will closely monitor the regulators' announcements on MYOR or discontinuation of publication of the KLIBOR for the relevant tenors and continues to engage with industry participants, to ensure an orderly transition to MYOR and to minimise the risks arising from transition, and it will continue to identify and assess risks associated with KLIBOR replacement.

For the financial instruments that the Group hold as at 30 June 2025 which referenced to KLIBOR, kindly refer to Note 5 and Note 22 of the financial statements.

(b) Market risk

Market risk sensitivity assessment is based on the changes in key variables, such as interest rates and foreign currency rates, while all other variables remain constant. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the assets and liabilities position of the Group as at reporting date.

The scenarios used are simplified whereby it is assumed that all key variables for all maturities move at the same time and by the same magnitude and do not incorporate actions that would be otherwise taken by the business unit and risk management to mitigate the effect of this movement in key variables. In reality, the Group and the Company proactively seek to ensure that the interest rate risk profile is managed to minimise losses and optimise net revenues.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(i) Interest rate sensitivity analysis

The following table shows the sensitivity of the Group's profit after tax and its equity to an immediate up and down +/-100 basis points ("bps") parallel shift in the interest rate.

The Group	30.06.2025		30.06.2024	
	Impact on profit after tax RM'000	Impact on equity RM'000	Impact on profit after tax RM'000	Impact on equity RM'000
+100 bps	13,567	(54,522)	14,719	(47,877)
-100 bps	(13,567)	54,522	(14,719)	47,877

(ii) Foreign currency sensitivity analysis

The foreign currency sensitivity represents the effect of the appreciation or depreciation of the foreign currency rates against Ringgit Malaysia on the consolidated currency position, while other variables remain constant.

Impact of profit after tax by currency

The Group	30.06.2025		30.06.2024	
	+1% RM'000	-1% RM'000	+1% RM'000	-1% RM'000
USD	245	(245)	(123)	123
SGD	3	(3)	14	(14)
Others	(32)	32	3	(3)
	216	(216)	(106)	106

(iii) Equity prices sensitivity analysis

The Group and the Company's exposure to equity securities price risk arises from investments held by the Group and classified in the statements of financial position as financial assets at FVTPL and financial investments at FVOCI. The Group and the Company does not have significant exposure to equity price risks.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest rate risk

The tables below summarise the Group's and the Company's exposure to interest rate risks. Included in the tables are the Group's and the Company's financial assets and financial liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. As interest rates and yield curves change over time, the Group and the Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statement of financial position. Sensitivity to interest rates arises from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liabilities funding.

The Group 30.06.2025	Non-trading book						Trading book	Total
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Assets								
Cash and short-term funds	202,862	-	-	-	-	214,350	-	417,212
Clients' and brokers' balances	-	-	-	-	-	176,607	-	176,607
Deposits and placements with banks and other financial institutions	-	277,740	-	-	-	501	-	278,241
Financial assets at FVTPL	-	-	-	-	-	-	451,859	451,859
Financial investments at FVOCI	19,989	117,337	275,477	764,878	892,183	19,883	-	2,089,747
Financial investments at amortised cost	-	170,278	120,064	886,067	-	12,431	-	1,188,840
Loans and advances	270,762	-	-	-	-	-	-	270,762
Other financial assets	-	-	-	-	-	233,603	-	233,603
Derivative financial assets	-	-	-	-	-	-	94,362	94,362
Statutory deposits with BNM	-	-	-	-	-	27,720	-	27,720
Total assets	493,613	565,355	395,541	1,650,945	892,183	685,095	546,221	5,228,953

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest rate risk (continued)

The Group 30.06.2025	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Liabilities								
Clients' and brokers' balances	-	-	-	-	-	281,180	-	281,180
Deposits from customers	446,614	118,626	1,304	-	-	1,421	-	567,965
Deposits and placements of banks and other financial institutions	2,581,839	233,840	49,622	-	-	3,025	-	2,868,326
Obligations on securities sold under repurchase agreements	228,917	-	-	-	-	52	-	228,969
Lease liabilities	500	607	2,787	7,248	-	-	-	11,142
Other financial liabilities	-	-	-	-	-	152,274	-	152,274
Derivative financial liabilities	-	-	-	-	-	-	99,287	99,287
Subordinated obligations	-	-	-	-	99,697	261	-	99,958
Total liabilities	3,257,870	353,073	53,713	7,248	99,697	438,213	99,287	4,309,101
Net interest sensitivity gap	(2,764,257)	212,282	341,828	1,643,697	792,486			
Direct credit substitutes	-	-	-	-	-	1,000		
Credit related commitments and contingencies	-	-	-	-	-	940,605		
Net interest sensitivity gap	-	-	-	-	-	941,605		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest rate risk (continued)

The Group 30.06.2024	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Assets								
Cash and short-term funds	22,157	-	-	-	-	131,432	-	153,589
Clients' and brokers' balances	-	-	-	-	-	236,831	-	236,831
Deposits and placements with banks and other financial institutions	-	163,053	-	-	-	-	-	163,053
Financial assets at FVTPL	-	-	-	-	-	-	595,107	595,107
Financial investments at FVOCI	40,014	24,991	359,140	1,001,048	595,138	22,529	-	2,042,860
Financial investments at amortised cost	100,020	90,037	80,422	1,020,274	-	14,532	-	1,305,285
Loans and advances	279,510	-	29,315	14	-	73	-	308,912
Other financial assets	-	-	-	-	-	247,015	-	247,015
Derivative financial assets	-	-	-	-	-	-	26,918	26,918
Statutory deposits with BNM	-	-	-	-	-	61,265	-	61,265
Total assets	441,701	278,081	468,877	2,021,336	595,138	713,677	622,025	5,140,835

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest rate risk (continued)

The Group 30.06.2024	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Liabilities								
Clients' and brokers' balances	-	-	-	-	-	233,891	-	233,891
Deposits from customers	549,437	100,417	105,657	-	-	3,244	-	758,755
Deposits and placements of banks and other financial institutions	2,674,454	131,151	-	-	-	2,231	-	2,807,836
Lease liabilities	510	678	2,904	7,883	1,040	-	-	13,015
Other financial liabilities	-	-	-	-	-	309,760	-	309,760
Derivative financial liabilities	-	-	-	-	-	-	27,154	27,154
Subordinated obligations	-	-	-	-	99,740	205	-	99,945
Total liabilities	3,224,401	232,246	108,561	7,883	100,780	549,331	27,154	4,250,356
Net interest sensitivity gap	(2,782,700)	45,835	360,316	2,013,453	494,358			
Direct credit substitutes	-	-	-	-	-	1,000		
Credit related commitments and contingencies	-	-	-	-	-	868,708		
Net interest sensitivity gap	-	-	-	-	-	869,708		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest rate risk (continued)

The Company 30.06.2025	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Assets								
Cash and short-term funds	-	-	-	-	-	2,376	-	2,376
Deposits and placements with banks and other financial institutions	-	234,260	-	-	-	-	-	234,260
Financial assets at FVTPL	-	-	-	-	-	-	109,840	109,840
Financial investments at amortised cost	-	-	966	1,000	-	8	-	1,974
Other financial assets	-	-	-	-	-	893	-	893
Total assets	-	234,260	966	1,000	-	3,277	109,840	349,343
Liabilities								
Other financial liabilities	-	-	-	-	-	1,115	-	1,115
Total liabilities	-	-	-	-	-	1,115	-	1,115
Net interest sensitivity gap	-	234,260	966	1,000	-	-	-	-
Direct credit substitutes	-	-	-	-	-	-	-	-
Credit related commitments and contingencies	-	-	-	-	-	-	-	-
Net interest sensitivity gap	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest rate risk (continued)

The Company 30.06.2024	Non-trading book					Trading book RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	
Assets							
Cash and short-term funds	-	-	-	-	-	4,997	4,997
Deposits and placements with banks and other financial institutions	-	223,300	-	-	-	-	223,300
Financial assets at FVTPL	-	-	-	-	-	-	185,398
Other financial assets	-	-	-	-	-	770	770
Total assets	-	223,300	-	-	-	5,767	414,465
Liabilities							
Other financial liabilities	-	-	-	-	-	4,508	4,508
Total liabilities	-	-	-	-	-	4,508	4,508
Net interest sensitivity gap	-	223,300	-	-	-	-	-
Direct credit substitutes	-	-	-	-	-	-	-
Credit related commitments and contingencies	-	-	-	-	-	-	-
Net interest sensitivity gap	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk

Liquidity risk is defined as the current and prospective risk arising from the inability of the Group and the Company to meet its contractual or regulatory obligations when they fall due without incurring substantial losses. Liquidity obligations arise from withdrawal of deposits, repayments of purchased funds at maturity, extensions of credit and working capital needs. The Group and the Company seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances.

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) as at reporting date based on the remaining contractual maturity and is disclosed in accordance with the requirements of BNM Guideline:

The Group 30.06.2025	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	234,481	180,795	-	-	-	-	1,936	417,212
Clients' and brokers' balances	176,607	-	-	-	-	-	-	176,607
Deposits and placements with banks and other financial institutions	-	-	278,241	-	-	-	-	278,241
Financial assets at FVTPL	-	-	119,281	-	10,106	79,130	243,342	451,859
Financial investments at FVOCI	10,246	9,988	118,137	128,294	149,421	1,673,661	-	2,089,747
Financial investments at amortised cost	-	-	172,485	60,458	60,575	895,322	-	1,188,840
Loans and advances	270,762	-	-	-	-	-	-	270,762
Derivative financial assets	4,099	15,498	26,521	18,011	3,361	26,864	8	94,362
Other assets*	9	130	188	-	11,532	225,314	145,243	382,416
Total assets	696,204	206,411	714,853	206,763	234,995	2,900,291	390,529	5,350,046

* Includes property and equipment, ROU assets, other intangible assets, statutory deposits with BNM, tax recoverable, deferred tax assets and goodwill.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) as at reporting date based on the remaining contractual maturity and is disclosed in accordance with the requirements of BNM Guideline: (continued)

The Group 30.06.2025	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Clients' and brokers' balances	281,180	-	-	-	-	-	-	281,180
Deposits from customers	424,676	22,850	119,111	1,328	-	-	-	567,965
Deposits and placements of banks and other financial institutions	2,175,419	407,700	235,216	49,991	-	-	-	2,868,326
Obligations on securities sold under repurchase agreements	228,969	-	-	-	-	-	-	228,969
Derivative financial liabilities	3,956	9,359	19,505	16,076	13,026	37,365	-	99,287
Subordinated obligations	-	-	-	203	-	99,755	-	99,958
Lease liabilities	3	497	607	918	1,866	7,251	-	11,142
Other liabilities**	-	15,134	6	-	137,449	225	-	152,814
Total liabilities	3,114,203	455,540	374,445	68,516	152,341	144,596	-	4,309,641
Total equity	-	-	-	-	-	-	1,040,405	1,040,405
Total liabilities and equity	3,114,203	455,540	374,445	68,516	152,341	144,596	1,040,405	5,350,046

** Includes current tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) as at reporting date based on the remaining contractual maturity and is disclosed in accordance with the requirements of BNM Guideline: (continued)

The Group 30.06.2024	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	153,589	-	-	-	-	-	-	153,589
Clients' and brokers' balances	236,831	-	-	-	-	-	-	236,831
Deposits and placements with banks and other financial institutions	-	-	163,053	-	-	-	-	163,053
Financial assets at FVTPL	-	89,874	50,071	-	-	181,809	273,353	595,107
Financial investments at FVOCI	20,491	20,377	25,306	263,703	98,007	1,614,976	-	2,042,860
Financial investments at amortised cost	-	101,950	90,801	30,323	50,904	1,031,307	-	1,305,285
Loans and advances	279,510	-	-	29,388	-	14	-	308,912
Derivative financial assets	74	1,791	6,081	1,593	5,395	11,984	-	26,918
Other assets*	8	130	47	-	250,876	-	195,943	447,004
Total assets	690,503	214,122	335,359	325,007	405,182	2,840,090	469,296	5,279,559

* Includes property and equipment, ROU assets, other intangible assets, statutory deposits with BNM, tax recoverable, deferred tax assets and goodwill.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) as at reporting date based on the remaining contractual maturity and is disclosed in accordance with the requirements of BNM Guideline: (continued)

The Group 30.06.2024	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Clients' and brokers' balances	233,891	-	-	-	-	-	-	233,891
Deposits from customers	459,582	91,830	101,329	106,014	-	-	-	758,755
Deposits and placements of banks and other financial institutions	2,412,479	263,491	131,866	-	-	-	-	2,807,836
Derivative financial liabilities	233	4,099	4,230	3,876	1,828	12,888	-	27,154
Subordinated obligations	-	-	-	203	-	99,742	-	99,945
Lease liabilities	3	507	678	1,027	1,878	8,922	-	13,015
Other liabilities**	-	15,153	8	-	296,415	224	-	311,800
Total liabilities	3,106,188	375,080	238,111	111,120	300,121	121,776	-	4,252,396
Total equity	-	-	-	-	-	-	1,027,163	1,027,163
Total liabilities and equity	3,106,188	375,080	238,111	111,120	300,121	121,776	1,027,163	5,279,559

** Includes current tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) as at reporting date based on the remaining contractual maturity and is disclosed in accordance with the requirements of BNM Guideline: (continued)

The Company 30.06.2025	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	2,376	-	-	-	-	-	-	2,376
Deposits and placements with banks and other financial institutions	-	-	234,260	-	-	-	-	234,260
Financial assets at FVTPL	-	-	-	-	-	-	109,840	109,840
Financial investments at amortised cost	-	-	-	5	969	1,000	-	1,974
Other assets	-	-	813	-	80	-	-	893
Investment in subsidiary companies	-	-	-	-	-	-	315,388	315,388
Total assets	2,376	-	235,073	5	1,049	1,000	425,228	664,731
Liabilities								
Other liabilities	-	-	-	-	1,483	-	-	1,483
Total liabilities	-	-	-	-	1,483	-	-	1,483
Total equity	-	-	-	-	-	-	663,248	663,248
Total liabilities and equity	-	-	-	-	1,483	-	663,248	664,731

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) as at reporting date based on the remaining contractual maturity and is disclosed in accordance with the requirements of BNM Guideline: (continued)

The Company 30.06.2024	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	4,997	-	-	-	-	-	-	4,997
Deposits and placements with banks and other financial institutions	-	-	223,300	-	-	-	-	223,300
Financial assets at FVTPL	-	-	-	-	-	-	185,398	185,398
Other assets	-	-	382	-	402	-	-	784
Tax recoverable	-	-	-	-	-	-	595	595
Investment in subsidiary companies	-	-	-	-	-	-	246,574	246,574
Total assets	4,997	-	223,682	-	402	-	432,567	661,648
Liabilities								
Other liabilities	-	-	-	-	4,508	-	-	4,508
Total liabilities	-	-	-	-	4,508	-	-	4,508
Total equity	-	-	-	-	-	-	657,140	657,140
Total liabilities and equity	-	-	-	-	4,508	-	657,140	661,648

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

The Group 30.06.2025	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities							
Clients' and brokers' balances	281,180	-	-	-	-	-	281,180
Deposits from customers	447,735	121,121	-	-	-	-	568,856
Deposits and placements of banks and other financial institutions	2,584,027	287,557	-	-	-	-	2,871,584
Obligations on securities sold under repurchase agreements	229,070	-	-	-	-	-	229,070
Derivative financial liabilities							
- Gross settled derivatives							
- Inflow	(1,577,970)	(4,821,667)	(829,120)	-	-	-	(7,228,757)
- Outflow	1,567,581	4,821,157	833,704	-	-	-	7,222,442
- Net settled derivatives	(178)	(888)	2,426	7,587	683	-	9,630
Lease liabilities	347	1,711	2,051	4,313	3,533	-	11,955
Other liabilities	15,134	6	136,950	-	-	225	152,315
Subordinated obligations	-	2,094	2,049	8,209	8,220	116,451	137,023
Total financial liabilities	3,546,926	411,091	148,060	20,109	12,436	116,676	4,255,298

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows. (continued)

The Group 30.06.2024	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities							
Clients' and brokers' balances	233,891	-	-	-	-	-	233,891
Deposits from customers	551,699	209,693	-	-	-	-	761,392
Deposits and placements of banks and other financial institutions	2,676,924	132,899	-	-	-	-	2,809,823
Derivative financial liabilities							
- Gross settled derivatives							
- Inflow	(1,651,138)	(3,201,997)	(1,069,881)	-	-	-	(5,923,016)
- Outflow	1,651,770	3,201,888	1,071,488	-	-	-	5,925,146
- Net settled derivatives	(510)	(1,202)	(1,466)	(45)	(824)	-	(4,047)
Lease liabilities	335	1,924	2,099	6,093	2,477	1,060	13,988
Other liabilities	15,152	7	294,377	-	-	224	309,760
Subordinated obligations	-	2,072	2,049	8,231	8,220	120,561	141,133
Total financial liabilities	3,478,123	345,284	298,666	14,279	9,873	121,845	4,268,070

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows. (continued)

The Company	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
30.06.2025							
Liabilities							
Other liabilities	-	-	1,115	-	-	-	1,115
Total financial liabilities	-	-	1,115	-	-	-	1,115
30.06.2024							
Liabilities							
Other liabilities	-	-	4,508	-	-	-	4,508
Total financial liabilities	-	-	4,508	-	-	-	4,508

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)**(c) Liquidity risk (continued)**

The following table presents the contractual expiry by maturity of the Group's commitments and contingencies:

The Group	Less than 1 year RM'000	Over 1 year RM'000	Total RM'000
30.06.2025			
Direct credit substitutes	1,000	-	1,000
Other commitments, such as formal standby facilities and credit lines	47,000	30,000	77,000
Any commitments that are unconditionally cancelled at anytime by the Group without prior notice	863,605	-	863,605
	911,605	30,000	941,605
30.06.2024			
Direct credit substitutes	1,000	-	1,000
Other commitments, such as formal standby facilities and credit lines	600	-	600
Any commitments that are unconditionally cancelled at anytime by the Group without prior notice	868,108	-	868,108
	869,708	-	869,708

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk

(i) Maximum exposure to credit risk

The maximum exposure to credit risk at the statements of financial position is the amounts on the statement of financial position as well as off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and the Company would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Group and the Company:

	The Group		The Company	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
Credit risk exposure relating to on-balance sheet assets:				
Short-term funds (exclude cash in hand)	417,205	153,581	2,376	4,997
Clients' and brokers' balances	176,607	236,831	-	-
Deposits and placements with banks and other financial institutions	278,241	163,053	234,260	223,300
Financial assets and investments portfolios (exclude shares and unit trust investment)				
- financial assets at FVTPL	208,517	321,754	-	-
- financial investments at FVOCI	2,089,747	2,042,860	-	-
- financial investments at amortised cost	1,188,840	1,305,285	1,974	-
Loans and advances	270,762	308,912	-	-
Other assets	233,603	247,015	893	770
Derivative financial assets	94,362	26,918	-	-
	4,957,884	4,806,209	239,503	229,067
Credit risk exposure relating to off-balance sheet items:				
Commitments and contingencies	941,605	869,708	-	-
Total maximum credit risk exposure	5,899,489	5,675,917	239,503	229,067

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)**(d) Credit risk (continued)****(ii) Collaterals**

The main type of collaterals obtained by the Group are as follows:

- (a) Fixed deposits, Mudarabah General Investment Account, negotiable instrument of deposits, foreign currency deposits and cash deposits/margins
- (b) Land and buildings
- (c) Aircrafts, vessels and automobiles
- (d) Quoted shares, unit trust, Malaysian Governments Bonds and securities and private debt securities
- (e) Other tangible business assets, such as inventory and equipment

The Group also accept non-tangible securities such as support, guarantees from individuals, corporates and institutions, bank guarantees, debentures, assignment of contract payments, which are subject to internal guidelines on eligibility.

The outstanding balance for loans and advances for which no allowances is recognised because of collaterals as at 30 June 2025 amounted to RM Nil (2024: RM Nil) for the Group.

The financial effect of collateral (quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for loans and advances as at 30 June 2025 for the Group is 100% (2024: 100%). The financial effect of collateral held for the other financial assets is not significant.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for net loans and advances that are credit impaired as at 30 June 2025 for the Group is 100% (2024: 100%).

(iii) Credit exposure by stage

Financial assets of the Group are classified into three stages as below:

Stages	Description
Stage 1: 12-months ECL – not credit impaired	Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-months ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.
Stage 2: Lifetime ECL – not credit impaired	Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.
Stage 3: Lifetime ECL – credit impaired	Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

For further details on the stages, refer to accounting policy Note H.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality

The Group and the Company assess credit quality of loans and advances using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers judgement.

Credit quality description is summarised as follows:

Credit Quality	Description
Good	Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss to the Group.
Fair	Exposures demonstrate fairly acceptable capacity to meet financial commitments and may require varying degrees of concern to the Group.
Un-graded	Counterparties which do not satisfy the criteria to be graded based on internal credit rating system.
Credit impaired	Exposures that have been assessed as credit-impaired.

The credit quality of financial assets other than loans and advances are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined below:

Credit Quality	Rating
Good	AAA to AA3
Good	A1 to A3
Fair	Baa1 to Baa3
Fair	P1 to P3
Un-graded	Non-rated
Credit impaired	Default

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

The Group 30.06.2025	(Stage 1) 12-Months ECL RM'000	(Stage 2) Lifetime ECL not credit impaired RM'000	(Stage 3) Lifetime ECL credit impaired RM'000	Total ECL RM'000
Short-term funds and placements with banks				
Good	319,297	-	-	319,297
Fair	376,121	-	-	376,121
Un-graded	28	-	-	28
Gross carrying amount	695,446	-	-	695,446
Expected credit losses	-	-	-	-
Net carrying amount	695,446	-	-	695,446
Financial investments at FVOCI				
Good	720,935	-	-	720,935
Fair	82,392	-	-	82,392
Un-graded	1,286,420	-	-	1,286,420
Gross carrying amount	2,089,747	-	-	2,089,747
Expected credit losses	-	-	-	-
Net carrying amount	2,089,747	-	-	2,089,747
Financial investments at amortised cost				
Un-graded	1,188,840	-	-	1,188,840
Gross carrying amount	1,188,840	-	-	1,188,840
Expected credit losses	-	-	-	-
Net carrying amount	1,188,840	-	-	1,188,840
Loans and advances				
Un-graded	269,200	1,895	-	271,095
Gross carrying amount	269,200	1,895	-	271,095
Expected credit losses	(332)	(1)	-	(333)
Net carrying amount	268,868	1,894	-	270,762

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision: (continued)

The Group 30.06.2024	(Stage 1) 12-Months ECL RM'000	(Stage 2) Lifetime ECL not credit impaired RM'000	(Stage 3) Lifetime ECL credit impaired RM'000	Total ECL RM'000
Short-term funds and placements with banks				
Good	50,053	-	-	50,053
Fair	266,390	-	-	266,390
Un-graded	191	-	-	191
Gross carrying amount	316,634	-	-	316,634
Expected credit losses	-	-	-	-
Net carrying amount	316,634	-	-	316,634
Financial investments at FVOCI				
Good	806,566	-	-	806,566
Fair	56,535	-	-	56,535
Un-graded	1,179,759	-	-	1,179,759
Gross carrying amount	2,042,860	-	-	2,042,860
Expected credit losses	-	-	-	-
Net carrying amount	2,042,860	-	-	2,042,860
Financial investments at amortised cost				
Un-graded	1,305,285	-	-	1,305,285
Gross carrying amount	1,305,285	-	-	1,305,285
Expected credit losses	-	-	-	-
Net carrying amount	1,305,285	-	-	1,305,285
Loans and advances				
Fair	29,473	-	-	29,473
Un-graded	279,006	697	-	279,703
Gross carrying amount	308,479	697	-	309,176
Expected credit losses	(264)	-	-	(264)
Net carrying amount	308,215	697	-	308,912

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision: (continued)

The Company 30.06.2025	(Stage 1) 12-Months ECL RM'000	(Stage 2) Lifetime ECL not credit impaired RM'000	(Stage 3) Lifetime ECL credit impaired RM'000	Total ECL RM'000
Short-term funds and placements with banks				
Fair	236,636	-	-	236,636
Gross/Net carrying amount	236,636	-	-	236,636
Financial investments at amortised cost				
Un-graded	-	1,974	-	1,974
Gross carrying amount	-	1,974	-	1,974
Expected credit losses	-	-	-	-
Net carrying amount	-	1,974	-	1,974
30.06.2024				
Short-term funds and placements with banks				
Fair	228,297	-	-	228,297
Gross/Net carrying amount	228,297	-	-	228,297

(a) Loans and advances

All loans and advances are categorised as either:

- neither past due nor impaired;
- past due but not impaired; or
- impaired.

Past due loans and advances refers to loans that are overdue by one day or more. Impaired loans and advances are loans and advances with days-in-arrears more than 90 days or with impaired allowances.

The Group	30.06.2025 RM'000	30.06.2024 RM'000
Neither past due nor impaired	271,095	309,176
Past due but not impaired	-	-
Individually impaired	-	-
Gross loans and advances	271,095	309,176
Less: Expected credit losses	(333)	(264)
Total net loans and advances	270,762	308,912

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(a) Loans and advances (continued)

(i) Loans and advances neither past due nor impaired

Analysis of loans and advances that are neither past due nor impaired analysed based on the Group's internal credit grading system is as follows:

The Group	30.06.2025 RM'000	30.06.2024 RM'000
Grading classification:		
- Satisfactory	-	29,473
- Un-graded	271,095	279,703
	271,095	309,176

The definition of the grading classification of loans and advances can be summarised as follow:

Good:

Refers to internal credit grading from 'Favourable' to 'Prime Quality', indicating strong ability to repay principal and interest.

Satisfactory:

Refers to internal credit grading of 'Satisfactory', indicating adequate ability and no difficulty to repay principal and interest.

Loans and advances classified as un-graded mainly comprise of share margin financing and staff loans.

(ii) Loans and advances past due but not impaired

A financial asset is defined as "past due" when the counterparty has failed to make a principal or interest payment when contractually due.

Late processing and other administrative delays on the side of the borrower can lead to a financial asset being past due but not impaired. Therefore, loans and advances less than 90 days past due are not usually considered impaired, unless other information is available to indicate the contrary.

There were no loans and advances past due but not impaired for the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(a) Loans and advances (continued)

(iii) Loans and advances that are individually determined to be impaired as at reporting date are as follows:

The Group	30.06.2025 RM'000	30.06.2024 RM'000
Gross amount of individually impaired loans	-	-
Less: Expected credit losses	-	-
Total net amount of individually impaired loans	-	-

(b) Other financial assets

The credit quality of financial assets other than loans and advances are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined belows:

- AAA to AA3
- A1 to A3
- Baa1 to Baa3
- P1 to P3

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(b) Other financial assets (continued)

Short-term funds and deposits and placements with banks and other financial institutions, financial assets and investments portfolios, clients' and brokers' balances, other assets and derivative financial assets are summarised as follows:

The Group	Short-term funds and deposits and placements with banks and other financial institutions RM'000	Clients' and brokers' balances RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Other assets RM'000	Derivative financial assets RM'000
30.06.2025							
Neither past due nor impaired	695,446	175,635	208,517	2,089,747	1,188,840	233,725	94,362
Individually impaired	-	1,800	-	-	-	958	-
Less: Impairment losses	-	(828)	-	-	-	(1,080)	-
	695,446	176,607	208,517	2,089,747	1,188,840	233,603	94,362
30.06.2024							
Neither past due nor impaired	316,634	236,351	321,754	2,042,860	1,305,285	247,079	26,918
Individually impaired	-	1,312	-	-	-	1,278	-
Less: Impairment losses	-	(832)	-	-	-	(1,342)	-
	316,634	236,831	321,754	2,042,860	1,305,285	247,015	26,918

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(b) Other financial assets (continued)

Short-term funds and deposits and other assets are summarised as follows:

The Company	Short-term funds and deposits RM'000	Financial investments at amortised cost RM'000	Other assets RM'000
30.06.2025			
Neither past due nor impaired	236,636	1,974	893
Individually impaired	-	-	-
Less: Impairment losses	-	-	-
	236,636	1,974	893
30.06.2024			
Neither past due nor impaired	228,297	-	770
Individually impaired	-	-	-
Less: Impairment losses	-	-	-
	228,297	-	770

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(b) Other financial assets (continued)

Analysis of short-term funds and deposits and placements with banks and other financial institutions, financial assets and investments portfolios, clients' and brokers' balances, other assets and derivative financial assets that are neither past due nor impaired by rating agency designation as at reporting date are as follows:

	Short-term funds and deposits and placements with banks and other financial institutions	Clients' and brokers' balances	Financial assets at FVTPL	Financial investments at FVOCI	Financial investments at amortised cost	Other assets	Derivative financial assets
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.06.2025							
AAA to AA3	269,108	-	15,938	671,738	-	90,069	83,709
A1 to A3	50,189	-	10,106	49,197	-	14,144	1,620
Baa1 to Baa3	-	-	-	72,404	-	-	-
P1 to P3	376,121	-	119,281	9,988	-	-	-
Non-rated, of which:							
- Bank Negara Malaysia	28	-	-	-	-	-	-
- Malaysia Government Investment Issues	-	-	63,192	734,437	691,131	-	-
- Malaysian Government Securities	-	-	-	234,530	477,637	-	-
- Government guaranteed corporate bond and/or sukuk	-	-	-	290,133	20,072	83,594	-
- Others	-	176,607	-	27,320	-	45,796	9,033
	28	176,607	63,192	1,286,420	1,188,840	129,390	9,033
	695,446	176,607	208,517	2,089,747	1,188,840	233,603	94,362

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(b) Other financial assets (continued)

Analysis of short-term funds and deposits and placements with banks and other financial institutions, financial assets and investments portfolios, clients' and brokers' balances, other assets and derivative financial assets that are neither past due nor impaired by rating agency designation as at reporting date are as follows: (continued)

	Short-term funds and deposits and placements with banks and other financial institutions RM'000	Clients' and brokers' balances RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Other assets RM'000	Derivative financial assets RM'000
The Group							
30.06.2024							
AAA to AA3	50,053	-	-	711,358	-	168,235	22,625
A1 to A3	-	-	50,071	95,208	-	-	837
Baa1 to Baa3	-	-	-	46,719	-	-	-
P1 to P3	266,390	-	89,874	9,816	-	4,048	-
Non-rated, of which:							
- Bank Negara Malaysia	191	-	-	-	-	-	-
- Malaysia Government Investment Issues	-	-	121,639	580,790	642,612	-	-
- Malaysian Government Securities	-	-	60,170	361,331	622,679	20,508	-
- Government guaranteed corporate bond and/or sukuk	-	-	-	188,419	39,994	4,560	-
- Others	-	236,831	-	49,219	-	49,664	3,456
	191	236,831	181,809	1,179,759	1,305,285	74,732	3,456
	316,634	236,831	321,754	2,042,860	1,305,285	247,015	26,918

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(b) Other financial assets (continued)

Analysis of short-term funds and deposits and other assets that are neither past due nor impaired by rating agency designation as at reporting date are as follows:

The Company	Short-term funds and deposits RM'000	Financial investments at amortised cost RM'000	Other assets RM'000
30.06.2025			
P1 to P3	236,636	-	-
Non-rated, of which:			
- Others	-	1,974	893
	-	1,974	893
	236,636	1,974	893
30.06.2024			
P1 to P3	228,297	-	-
Non-rated, of which:			
- Others	-	-	770
	-	-	770
	228,297	-	770

(v) Collateral and other credit enhancements obtained

(a) Repossessed collateral

As and when required, the Group will take possession of collateral they hold as securities and will dispose of them as soon as practicable but not later than 5 years from the date they take possession, with the proceeds used to reduce the outstanding indebtedness. Repossessed collaterals are classified in the statements of financial position as other assets. There is no repossessed collateral as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(vi) Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will be written back as bad debts recovered in the income statements.

There were no contractual amount outstanding on loans and advances and securities portfolio that were written off during the financial year ended 30 June 2025, and are still subject to enforcement activities for the Group.

(vii) Sensitivity analysis

The Group has performed ECL sensitivity assessment on loans and advances and financial investments at FVOCI based on the changes in the key macroeconomic variable i.e. banking system credit while all other variables remain unchanged. The sensitivity factors used are assumptions based on parallel shifts in the macroeconomic variable to project the impact to ECL of the Group.

The table below outlines the effect of ECL on the changes in the macroeconomic variable used while other variables remain constant:

Changes			
Banking credit system	+/- 100bps		
The Group		30.06.2025 RM'000	30.06.2024 RM'000
The effect of ECL on the positive changes in macroeconomic variable		3	4
The effect of ECL on the negative changes in macroeconomic variable		(3)	(4)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Company's financial assets, including off-balance sheet financial instruments are set out below:

	Short-term funds and deposits and placements with banks and other financial institutions RM'000	Clients' and brokers' balances RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Loans and advances RM'000	Other assets RM'000	Derivative financial assets RM'000	On-balance sheet total RM'000	Credit related commitments and contingencies RM'000
The Group 30.06.2025										
Electricity, gas and water	-	-	15,938	177,214	-	-	30	-	193,182	-
Construction	-	-	-	20,306	-	-	258	-	20,564	1,000
Transport, storage and communications	-	-	-	204,093	-	-	26	-	204,119	-
Finance, insurance, real estate and business services	695,418	101,785	129,387	685,088	20,072	754	108,619	94,354	1,835,477	77,000
Government and government agencies	28	-	63,192	984,680	1,168,768	-	83,594	-	2,300,262	-
Household	-	66,529	-	-	-	178,987	-	-	245,516	863,605
Others	-	8,293	-	18,366	-	91,021	41,076	8	158,764	-
	695,446	176,607	208,517	2,089,747	1,188,840	270,762	233,603	94,362	4,957,884	941,605

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Company's financial assets, including off-balance sheet financial instruments are set out below: (continued)

The Group 30.06.2024	Short-term funds and deposits and placements with banks and other financial institutions RM'000	Clients' and brokers' balances RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Loans and advances RM'000	Other assets RM'000	Derivative financial assets RM'000	On-balance sheet total RM'000	Credit related commitments and contingencies RM'000
Electricity, gas and water	-	-	-	207,808	-	-	50	-	207,858	-
Construction	-	-	-	20,024	-	2,883	83	-	22,990	1,000
Transport, storage and communications	-	-	-	118,437	-	-	628	-	119,065	-
Finance, insurance, real estate and business services	316,443	138,776	139,945	720,236	39,994	30,293	936	26,918	1,413,541	600
Government and government agencies	191	-	181,809	952,505	1,265,291	-	-	-	2,399,796	-
Education, health and others	-	-	-	-	-	-	728	-	728	-
Household	-	79,675	-	-	-	182,069	-	-	261,744	868,108
Others	-	18,380	-	23,850	-	93,667	244,590	-	380,487	-
	316,634	236,831	321,754	2,042,860	1,305,285	308,912	247,015	26,918	4,806,209	869,708

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Company's financial assets, including off-balance sheet financial instruments are set out below: (continued)

The Company	Short-term funds and deposits RM'000	Financial investments at amortised cost RM'000	Other assets RM'000	On-balance sheet total RM'000
30.06.2025				
Finance, insurance, real estate and business services	236,636	1,974	-	238,610
Others	-	-	893	893
	236,636	1,974	893	239,503
30.06.2024				
Finance, insurance, real estate and business services	228,297	-	-	228,297
Others	-	-	770	770
	228,297	-	770	229,067

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement

The Group and the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active market where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities, unit trust investments and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2.

In cases where quoted prices are generally not available, the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

- (i) The table below summarises the fair value hierarchy of the Group's and the Company's financial assets and liabilities measured at fair values.

The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30.06.2025				
Financial assets				
Financial assets at FVTPL	243,342	208,517	-	451,859
- money market instruments	-	63,192	-	63,192
- quoted securities	243,342	-	-	243,342
- unquoted securities	-	145,325	-	145,325
Financial investments at FVOCI	-	2,089,747	-	2,089,747
- money market instruments	-	1,115,547	-	1,115,547
- unquoted securities	-	974,200	-	974,200
Derivative financial assets	-	94,362	-	94,362
	243,342	2,392,626	-	2,635,968
Financial liability				
Derivative financial liabilities	-	99,287	-	99,287
30.06.2024				
Financial assets				
Financial assets at FVTPL	273,353	321,754	-	595,107
- money market instruments	-	231,880	-	231,880
- quoted securities	273,353	-	-	273,353
- unquoted securities	-	89,874	-	89,874
Financial investments at FVOCI	-	2,042,860	-	2,042,860
- money market instruments	-	1,027,718	-	1,027,718
- unquoted securities	-	1,015,142	-	1,015,142
Derivative financial assets	-	26,918	-	26,918
	273,353	2,391,532	-	2,664,885
Financial liability				
Derivative financial liabilities	-	27,154	-	27,154

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

- (i) The table below summarises the fair value hierarchy of the Group's and the Company's financial assets and liabilities measured at fair values. (continued)

The Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30.06.2025				
Financial asset				
Financial assets at FVTPL				
- quoted securities	109,840	-	-	109,840
30.06.2024				
Financial asset				
Financial assets at FVTPL				
- quoted securities	185,398	-	-	185,398

There were no transfers between Level 1 and 2 during the financial year.

- (ii) The table below summarises the carrying amount and analyses the fair value within the fair value hierarchy of the Group's and the Company's assets and liabilities not measured at fair value at reporting date but for which fair value is disclosed:

The Group 30.06.2025	Carrying amount RM'000	Fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Financial assets					
Financial investments at amortised cost					
- money market instruments	1,168,768	-	1,174,625	-	1,174,625
- unquoted securities	20,072	-	20,015	-	20,015
Loans and advances	270,762	-	270,762	-	270,762
	1,459,602	-	1,465,402	-	1,465,402
Financial liabilities					
Deposits from customers	567,965	-	567,965	-	567,965
Deposits and placements of banks and other financial institutions	2,868,326	-	2,868,326	-	2,868,326
Obligations on securities sold under repurchase agreements	228,969	-	228,969	-	228,969
Subordinated obligations	99,958	-	98,838	-	98,838
	3,765,218	-	3,764,098	-	3,764,098

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

- (ii) The table below summarises the carrying amount and analyses the fair value within the fair value hierarchy of the Group's and the Company's assets and liabilities not measured at fair value at reporting date but for which fair value is disclosed: (continued)

The Group 30.06.2024	Carrying amount RM'000	Fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Financial assets					
Financial investments at amortised cost					
- money market instruments	1,265,291	-	1,262,289	-	1,262,289
- unquoted securities	39,994	-	39,670	-	39,670
Loans and advances	308,912	-	308,912	-	308,912
	1,614,197	-	1,610,871	-	1,610,871
Financial liabilities					
Deposits from customers	758,755	-	758,755	-	758,755
Deposits and placements of banks and other financial institutions	2,807,836	-	2,807,836	-	2,807,836
Subordinated obligations	99,945	-	99,625	-	99,625
	3,666,536	-	3,666,216	-	3,666,216

Other than as disclosed above, the total fair value of each financial assets and liabilities presented on the statements of financial position as at reporting date of the Group and the Company approximates the total carrying amount.

The fair values are based on the following methodologies and assumptions:

Short-term funds and deposits and placements with banks and other financial institutions

For deposits and placements with banks and other financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Financial investments at amortised cost

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group and the Company will establish the fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flows analysis and other valuation techniques commonly used by market participants.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

43 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

The fair values are based on the following methodologies and assumptions: (continued)

Loans and advances

The value of fixed rate loans with remaining maturity of less than one year and floating rate loans are estimated to approximate their carrying amounts. For fixed rate loans with remaining maturity of more than one year, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

The fair values of impaired floating and fixed rate loans are represented by their carrying value, net of expected credit loss, being the expected recoverable amount.

Clients' and brokers' balances

The carrying amount as at reporting date approximate fair values due to relatively short-term maturity of these financial instruments.

Other assets and liabilities

The carrying value less any estimated allowance for financial assets and liabilities included in 'other assets and liabilities' are assumed to approximate their fair values as these items are short-term in nature.

Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are reasonable estimates of their fair values. For each deposit with maturities of six months and above, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Deposits and placements of other financial institutions and obligations on securities sold under repurchase agreements

The estimated fair values of deposits and placements of other financial institutions and obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For the items with maturities six months and above, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturities.

Subordinated obligations

The fair value of subordinated obligations are based on quoted market prices where available.

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received less associated costs.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

44 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 'Financial Instrument: Presentation', the Group reports financial assets and financial liabilities on a net basis on the statements of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangement on:

- All financial assets and liabilities that are reported net on statements of financial position; and
- All derivative financial instruments and securities purchased under resale agreements and obligations on securities sold under repurchase agreements and other similar secured lending and borrowing agreements that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

The table identifies the amounts that have been offset in the statements of financial position and also those amounts that are covered by enforceable netting arrangements (offsetting arrangements and financial collateral) but do not qualify for netting under the requirements of MFRS 132 described above.

The "Net amounts" presented below are not intended to represent the Group's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

	Effects of offsetting on statements of financial position			Related amounts not offset		
	Gross amount	Amount offset	Net amount reported on statements of financial position	Financial instruments	Financial collateral	Net amount
The Group 30.06.2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets						
Clients' and brokers' balances	323,974	(147,367)	176,607	-	-	176,607
Derivative financial assets	94,362	-	94,362	(23,431)	(14,152)	56,779
Total assets	418,336	(147,367)	270,969	(23,431)	(14,152)	233,386
Financial liabilities						
Clients' and brokers' balances	428,547	(147,367)	281,180	-	-	281,180
Derivative financial liabilities	99,287	-	99,287	(23,431)	(24,618)	51,238
Obligations on securities agreement	228,969	-	228,969	(228,969)	-	-
Total liabilities	756,803	(147,367)	609,436	(252,400)	(24,618)	332,418

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

44 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	Effects of offsetting on statements of financial position			Related amounts not offset		
	Gross amount	Amount offset	Net amount reported on statements of financial position	Financial instruments	Financial collateral	Net amount
The Group 30.06.2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets						
Clients' and brokers' balances	491,730	(254,899)	236,831	-	-	236,831
Derivative financial assets	26,918	-	26,918	(11,648)	(3,640)	11,630
Total assets	518,648	(254,899)	263,749	(11,648)	(3,640)	248,461
Financial liabilities						
Clients' and brokers' balances	488,790	(254,899)	233,891	-	-	233,891
Derivative financial liabilities	27,154	-	27,154	(11,648)	(4,048)	11,458
Total liabilities	515,944	(254,899)	261,045	(11,648)	(4,048)	245,349

Related amounts not offset**Derivative financial assets and liabilities**

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements, such as the ISDA Master Agreement or derivative exchange or clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transaction covered by the agreements if an event of default or other predetermined events occur.

Financial collateral refers to cash and non-cash collateral obtained, typically daily or weekly, to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

Repurchased and reverse repurchase agreements

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements, such as global master repurchased agreements and global master securities lending agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transaction covered by the agreements if an event of default or other predetermined events occur.

Financial collateral typically comprises cash, highly liquid securities or other financial instruments which are legally transferred and can be liquidated in the event of counterparty default.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

45 EQUITY COMPENSATION BENEFITS**Executive Share Scheme**

HLCB had on 14 October 2020 established an executive share scheme comprising an ESOS and an executive share grant scheme ("ESGS") (collectively referred to as the "ESS" or the "Scheme") in relation to ordinary shares in HLCB ("HLCB Shares") for the eligible executives and/or Directors of HLCB and its subsidiaries ("HLCB Group") (such executives and directors, "Eligible Executives").

There were no options outstanding as at reporting date.

The number and market value of the ordinary shares held by the Trustee are as follows:

	30.06.2025		30.06.2024	
	Number of trust shares held '000	Market value RM'000	Number of trust shares held '000	Market value RM'000
The Group	11,111	36,443	11,111	47,776
The Company	11,006	36,099	11,006	47,325

46 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

There were no material significant events during the financial year.

47 SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

There are no material subsequent events after the financial year that require disclosure or adjustments to the financial statements.

48 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors of the Company in accordance with a resolution of the Directors on 18 September 2025.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

We, Peter Ho Kok Wai and Tan Kong Khoon, being two of the Directors of Hong Leong Capital Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 136 to 255 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and financial performance of the Group and the Company for the financial year ended 30 June 2025, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 September 2025.

Peter Ho Kok Wai
Director

Tan Kong Khoon
Director

Kuala Lumpur
18 September 2025

STATUTORY DECLARATION

pursuant to Section 251(1) of the Companies Act 2016

I, San Kah Yee, the officer primarily responsible for the financial management of Hong Leong Capital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 136 to 255 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above named San Kah Yee (MIA No. 22565)
at Kuala Lumpur in Wilayah Persekutuan on
18 September 2025

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HONG LEONG CAPITAL BERHAD

(Incorporated in Malaysia)

(Registration No. 199101002695 (213006-U))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Hong Leong Capital Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 136 to 255.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HONG LEONG CAPITAL BERHAD
(Incorporated in Malaysia)
(Registration No. 199101002695 (213006-U))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recognition of deferred tax assets arising from unutilised tax credit Refer to Summary of Material Accounting Policies for the financial year ended 30 June 2025 Note A, Note Q, Note 11 and Note 34 to the financial statements. The Group recognised deferred tax assets on unutilised tax credit to the extent that is probable that future taxable profit will be available against which tax credit can be utilised. Deferred tax assets of RM58.0 million as at 30 June 2025 arose from unutilised tax credit of a banking subsidiary. Significant judgement is required to estimate the amount of deferred tax assets that could be recognised which is dependent on the availability of future taxable profits which are subject to future events and economic conditions that are inherently uncertain. Therefore, the extent of judgement and the amount of the deferred tax assets recognised resulted in this matter being identified as an area of audit focus.	We performed the following audit procedures: • Obtained an understanding about the local tax developments, in particular those related to changes in the statutory income tax rate and of the statutes of limitation since these were key assumptions used in determining the amount of deferred tax assets recognised. • Checked the available tax credit to correspondence between the banking subsidiary and the Inland Revenue Board. • Checked the profit projection to the budgets approved by the Board of Directors. • Compared historical profits with the budget to assess the accuracy of forecasting. • Assessed the reasonableness of assumptions used by management in determining the amount of taxable profit. • Performed sensitivity analysis on management's assessment in determining the amount of the taxable profit. Based on the procedures performed above, we concur with the Group's basis of recognition of the deferred tax assets arising from unutilised tax credit as at 30 June 2025.

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Annual Report 2025, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HONG LEONG CAPITAL BERHAD
(Incorporated in Malaysia)
(Registration No. 199101002695 (213006-U))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon (continued)

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HONG LEONG CAPITAL BERHAD
(Incorporated in Malaysia)
(Registration No. 199101002695 (213006-U))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers PLT

LLP0014401-LCA & AF 1146
Chartered Accountants

NG YEE LING

03032/01/2027 J
Chartered Accountant

Kuala Lumpur
18 September 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting (“AGM”) of Hong Leong Capital Berhad (“Company”) will be held at Wau Bulan 2, Level 2, Sofitel Kuala Lumpur Damansara, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Wednesday, 29 October 2025 at 10.00 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2025.
2. To approve the payment of Director Fees of RM508,000 for the financial year ended 30 June 2025, to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 1)**
3. To approve the payment of Directors’ Other Benefits of up to an amount of RM60,000 from the Thirty-Fourth AGM to the Thirty-Fifth AGM of the Company. **(Resolution 2)**
4. To re-elect the following Directors pursuant to the Company’s Constitution:
 - (a) Mr Tan Kong Khoon **(Resolution 3)**
 - (b) Mr Peter Ho Kok Wai **(Resolution 4)**
5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions as resolutions:

6. **Ordinary Resolution**
- Authority to Directors to Allot Shares

“THAT subject to the Companies Act 2016 (“Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) [“MMLR”], the Company’s Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, to any persons who are not caught by Paragraph 6.04(c) of the MMLR, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted on Bursa Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

(Resolution 6)

NOTICE OF ANNUAL GENERAL MEETING

7. Ordinary Resolution

- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Hong Leong Company (Malaysia) Berhad ("HLCM"), Guoline Capital Assets Limited ("GCA") and Persons Connected with them

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as disclosed in Section 2.3(A) and (C) of the Company's Circular to Shareholders dated 30 September 2025 ("the Circular") with HLCM, GCA and persons connected with them ("Hong Leong Group"), as set out in Appendix II of the Circular provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on commercial terms which are not more favourable to Hong Leong Group than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders;

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

8. Ordinary Resolution

- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Tower Real Estate Investment Trust ("Tower REIT")

"**THAT** approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as disclosed in Section 2.3(B) of the Company's Circular to Shareholders dated 30 September 2025 with Tower REIT provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on commercial terms which are not more favourable to Tower REIT than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders;

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

(Resolution 8)

- 9. To consider any other business of which due notice shall have been given.

By Order of the Board

JACK LEE TIONG JIE

(MAICSA 7060133)

(SSM PC No. 202008001704)

Group Company Secretary

Kuala Lumpur

30 September 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 21 October 2025 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
2. Save for a member who is an exempt authorised nominee, a member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account it holds. A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
3. Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
4. The Form of Proxy must be deposited at the Registered Office of the Company at Level 30, Menara Hong Leong, No. 6, Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur or lodged electronically via email at cosec-hlfg@hongleong.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.
5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in this Notice will be put to a vote by way of a poll.

EXPLANATORY NOTES

1. Resolution 1 on Director Fees

Director Fees of RM508,000 are inclusive of Board Committee Fees of RM156,000 and Meeting Allowance of RM82,000.

2. Resolution 2 on Directors' Other Benefits

Directors' Other Benefits refer to Directors' training benefits of up to RM60,000.

3. Resolutions 3 and 4 on Re-election of Directors

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee of the Company ("NRC"), supports the re-election of the retiring Directors. The NRC has reviewed the results of the Board Annual Assessment conducted for the financial year ended 30 June 2025 and noted that the retiring Directors have effectively discharged their duties and responsibilities. The NRC has also conducted assessments on the fitness and propriety of the retiring Directors, including the review of their Fit and Proper Declarations and results of their background checks, and was satisfied that the retiring Directors met the Fit and Proper criteria as set out in the Fit and Proper Policy for Directors and Chief Executive Officer of the Company. In addition, the NRC has assessed the declaration made by Mr Peter Ho Kok Wai confirming that he fulfilled the Independent Director criteria as set out in the relevant regulatory requirements, and found it to be in order.

The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board of Directors meetings, as applicable.

The profiles and details of the retiring Directors are set out in the Board of Directors' Profile section of the Company's 2025 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

4. Resolution 6 on Authority to Directors to Allot Shares

The proposed Ordinary Resolution, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares ("Shares") of the Company from time to time and expand the mandate to grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer, provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares (excluding treasury shares) of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, Shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new Shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 29 October 2024 and which will lapse at the conclusion of the Thirty-Fourth AGM. The Renewed General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or business opportunities or other circumstances arising or compliance with regulatory requirements which involve the issuance and allotment of new Shares, grant of rights to subscribe for Shares, conversion of any security into Shares, or allotment of Shares under an agreement or option or offer, in order to avoid delay and cost in convening general meetings to approve the same.

5. Resolutions 7 and 8 on Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolutions, if passed, will empower the Company and its subsidiaries ("HLCB Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for HLCB Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate").

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 30 September 2025 which is available on the Company's Corporate website (<https://www.hlcap.com.my/agm2025>).

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- **Details of individuals who are standing for election as Directors**

No individual is seeking election as a Director at the forthcoming Thirty-Fourth Annual General Meeting of the Company.

- **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 4 of the Notice of Thirty-Fourth Annual General Meeting.

OTHER INFORMATION

1. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of Directors, chief executives and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 21, Part A, Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

2. ANALYSIS OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2025

Total number of issued shares	:	246,896,668
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each share held

Distribution Schedule of Shareholders as at 4 September 2025

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	71	1.41	1,893	0.00
100 – 1,000	1,532	30.52	1,104,195	0.45
1,001 – 10,000	2,699	53.78	11,117,922	4.50
10,001 – 100,000	655	13.05	17,831,200	7.22
100,001 – less than 5% of issued shares	61	1.22	43,036,400	17.43
5% and above of issued shares	1	0.02	173,805,058	70.40
	5,019	100.00	246,896,668	100.00

List of Thirty Largest Shareholders as at 4 September 2025

Name of Shareholders	No. of Shares	%
1. Hong Leong Financial Group Berhad	173,805,058	70.40
2. MTrustee Berhad	11,005,700	4.46
- Exempt AN for Hong Leong Capital Berhad (ESOS)		
3. Citigroup Nominees (Tempatan) Sdn Bhd	9,710,145	3.93
- Exempt AN for Kenanga Investors Bhd		
4. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad	3,054,800	1.24
- Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund		
5. Citigroup Nominees (Asing) Sdn Bhd	2,815,100	1.14
- CBNY for Norges Bank (FI 17)		
6. Tong Chin Hen	1,763,500	0.71
7. Citigroup Nominees (Tempatan) Sdn Bhd	1,677,700	0.68
- Employees Provident Fund Board (Eastspring ESG)		
8. Citigroup Nominees (Tempatan) Sdn Bhd	1,325,000	0.54
- Employees Provident Fund Board (PHEIM)		
9. CGS International Nominees Malaysia (Tempatan) Sdn Bhd	967,000	0.39
- Pledged Securities Account for Chong Chee Choon		

OTHER INFORMATION

2. ANALYSIS OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2025 (CONTINUED)

List of Thirty Largest Shareholders as at 4 September 2025 (Continued)

	Name of Shareholders	No. of Shares	%
10.	HSBC Nominees (Asing) Sdn Bhd - Societe Generale Paris	745,000	0.30
11.	LTK (Melaka) Sdn Bhd	505,800	0.21
12.	Cartaban Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	468,400	0.19
13.	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (ESPRING ABSR EQ)	462,000	0.19
14.	Sim Ah Yoong	430,000	0.17
15.	Lim Ah Hock	401,000	0.16
16.	Goh Eng Hoe	323,000	0.13
17.	Chay Chee Ken	320,600	0.13
18.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Chee Choon	300,000	0.12
19.	Wong Ah Choo	300,000	0.12
20.	Chong Chiew Tshung	290,000	0.12
21.	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Kenanga Investors Bhd	289,855	0.12
22.	Lee Jim Leng	250,000	0.10
23.	Chow Wen Chin	249,000	0.10
24.	Khaw Khoon Tee	230,000	0.09
25.	Chong Cheng Sing	211,600	0.09
26.	Kwang King Chuan	200,800	0.08
27.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Kwan Foong	200,000	0.08
28.	Quek Chin Hui	195,000	0.08
29.	Maybank Nominees (Tempatan) Sdn Bhd - Pui Yuh Tzer	179,000	0.07
30.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Michael Ong Leng Chun (CCTS)	174,000	0.07
		212,849,058	86.21

OTHER INFORMATION

2. ANALYSIS OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2025 (CONTINUED)**Substantial Shareholders**

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 4 September 2025 are as follows:

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Hong Leong Financial Group Berhad	173,805,058	70.40	-	-
Tan Sri Quek Leng Chan	-	-	173,805,058	70.40 ^B
Hong Leong Company (Malaysia) Berhad	-	-	173,805,058	70.40 ^A
HL Holdings Sdn Bhd	-	-	173,805,058	70.40 ^B
Kwek Holdings Pte Ltd	-	-	173,805,058	70.40 ^B
Kwek Leng Beng	-	-	173,805,058	70.40 ^B
Hong Realty (Private) Limited	-	-	173,805,058	70.40 ^B
Hong Leong Investment Holdings Pte Ltd	-	-	173,805,058	70.40 ^B
Davos Investment Holdings Private Limited	-	-	173,805,058	70.40 ^B
Kwek Leng Kee	-	-	173,805,058	70.40 ^B
Guoco Group Limited	-	-	173,805,058	70.40 ^A
GuoLine Overseas Limited	-	-	173,805,058	70.40 ^A
GuoLine Capital Assets Limited	-	-	173,805,058	70.40 ^A

Notes:

^A Held through Hong Leong Financial Group Berhad

^B Held through Hong Leong Company (Malaysia) Berhad

3. DIRECTORS' INTERESTS AS AT 4 SEPTEMBER 2025

Subsequent to the financial year end, there is no change, as at 4 September 2025, to the Directors' interests in the ordinary shares, preference shares and/or options over ordinary shares of the Company and/or its related corporations (other than wholly-owned subsidiaries), appearing in the Directors' Report on page 132 and as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016.

4. LIST OF PROPERTIES

Location	Tenure	Description of property held	Gross Area (Sq-ft)	Approx. Age (Years)	Net book value (RM'000)	Date of acquisition
51-53, Persiaran Greenhill, 30450, Ipoh, Perak	Freehold & leasehold – 999 years	Branch premises	4,793	31	1,626	31/12/1993

FORM OF PROXY

I/We _____

NRIC/Passport/Company No. _____

of _____

being a member of HONG LEONG CAPITAL BERHAD (the "Company"), hereby appoint _____

NRIC/Passport No. _____

of _____

or failing him/her _____

NRIC/Passport No. _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Thirty-Fourth Annual General Meeting of the Company to be held at Wau Bulan 2, Level 2, Sofitel Kuala Lumpur Damansara, No. 6, Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur on Wednesday, 29 October 2025 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below with an "X":

RESOLUTIONS		FOR	AGAINST
1.	To approve the payment of Director Fees		
2.	To approve the payment of Directors' Other Benefits		
3.	To re-elect Mr Tan Kong Khoon as a Director		
4.	To re-elect Mr Peter Ho Kok Wai as a Director		
5.	To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
6.	To approve the ordinary resolution on Authority to Directors to Allot Shares		
7.	To approve the ordinary resolution on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Hong Leong Company (Malaysia) Berhad, Guoline Capital Assets Limited and persons connected with them		
8.	To approve the ordinary resolution on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Tower Real Estate Investment Trust		

Dated this _____ day of _____ 2025

Number of shares held

Signature(s) of Member

CDS Account No.

Notes:-

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 21 October 2025 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
- If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
- If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
- A proxy may but need not be a member of the Company.
- Save for a member who is an exempt authorised nominee, a member shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
- Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid (please see note 9 below).
- In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its duly authorised attorney or officer.
- All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 30, Menara Hong Leong, No. 6, Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur or lodged electronically via email at cosec-hlfg@hongleong.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.
- In the event two (2) or more proxies are appointed, please fill in the ensuing section:

Name of Proxies	% of shareholdings to be represented

- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice will be put to vote by way of a poll.
- By signing and submitting this proxy form, the member acknowledges that he/she has read HLCB's Privacy Notice at https://www.hlcap.com.my/data/privacy-policy/hlg_privacy_policy.pdf and consents to, and/or warrants that he/she has obtained the prior consent of the appointed proxy/representative (as applicable), for the collection, use, disclosure and processing of their personal data in accordance with the Personal Data Notice in the Administrative Notes to Shareholders received by the member for this meeting. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the above warranty.

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The Group Company Secretary

HONG LEONG CAPITAL BERHAD
Registration No. 199101002695 (213006-U)

Level 30, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
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