HongLeong Capital Berhad

Annual Report **2026**

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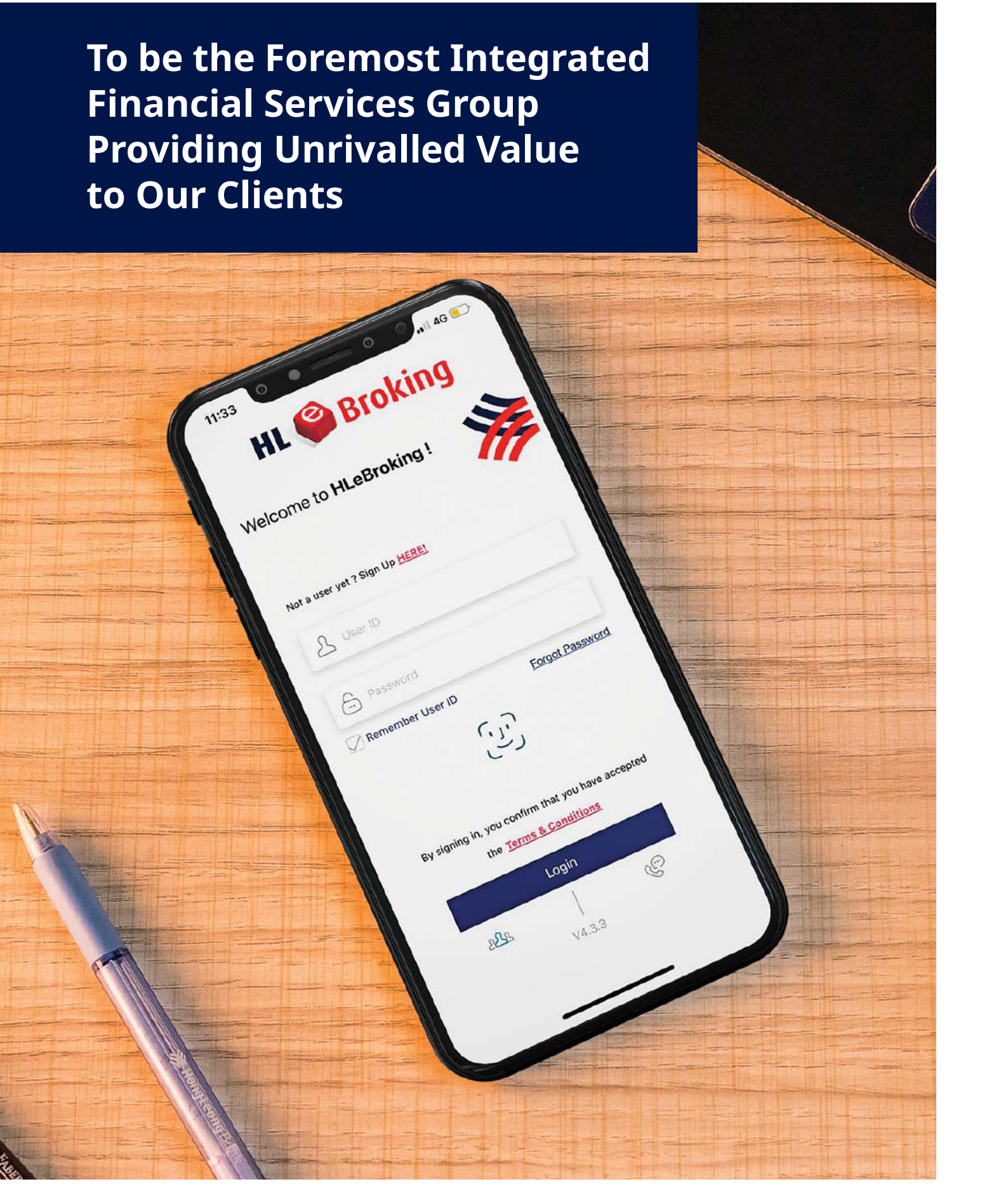
To be the Foremost Integrated Financial Services Group Providing Unrivalled Value to Our Clients



INTRODUCTION

HONG LEONG CAPITAL BERHAD AT A GLANCE

Hong Leong Capital Berhad ("HLCB") is a leading investment holding company of the investment banking and asset management business group under Hong Leong Financial Group. Backed by our years-long legacy, HLCB is committed to driving product innovation, enterprise-wide digital transformation, and sustainable value creation across the capital markets.

Through our principal subsidiaries, namely Hong Leong Investment Bank Berhad ("HLIB"), Hong Leong Asset Management Bhd ("HLAM") and Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM"), HLCB delivers a complete ecosystem of capital market solutions. Our fully integrated capabilities encompass corporate advisory, investment banking, stockbroking, futures broking, nominee and custodian services, unit trust and fund management, and tailored wealth management services. By continuously advancing our digital infrastructure and proprietary platforms like HLeBroking, HLCB ensures seamless, high-value financial solutions for institutional, corporate, and retail clients alike.

OUR VALUES

At HLCB, our core values underpin our operational foundation and strategic direction. They unify our workforce, cultivate organisational integrity, and propel us toward our corporate objectives. Grounded in these commitments, we prioritise sustainable value creation and the continued well-being of our broader stakeholder community.

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

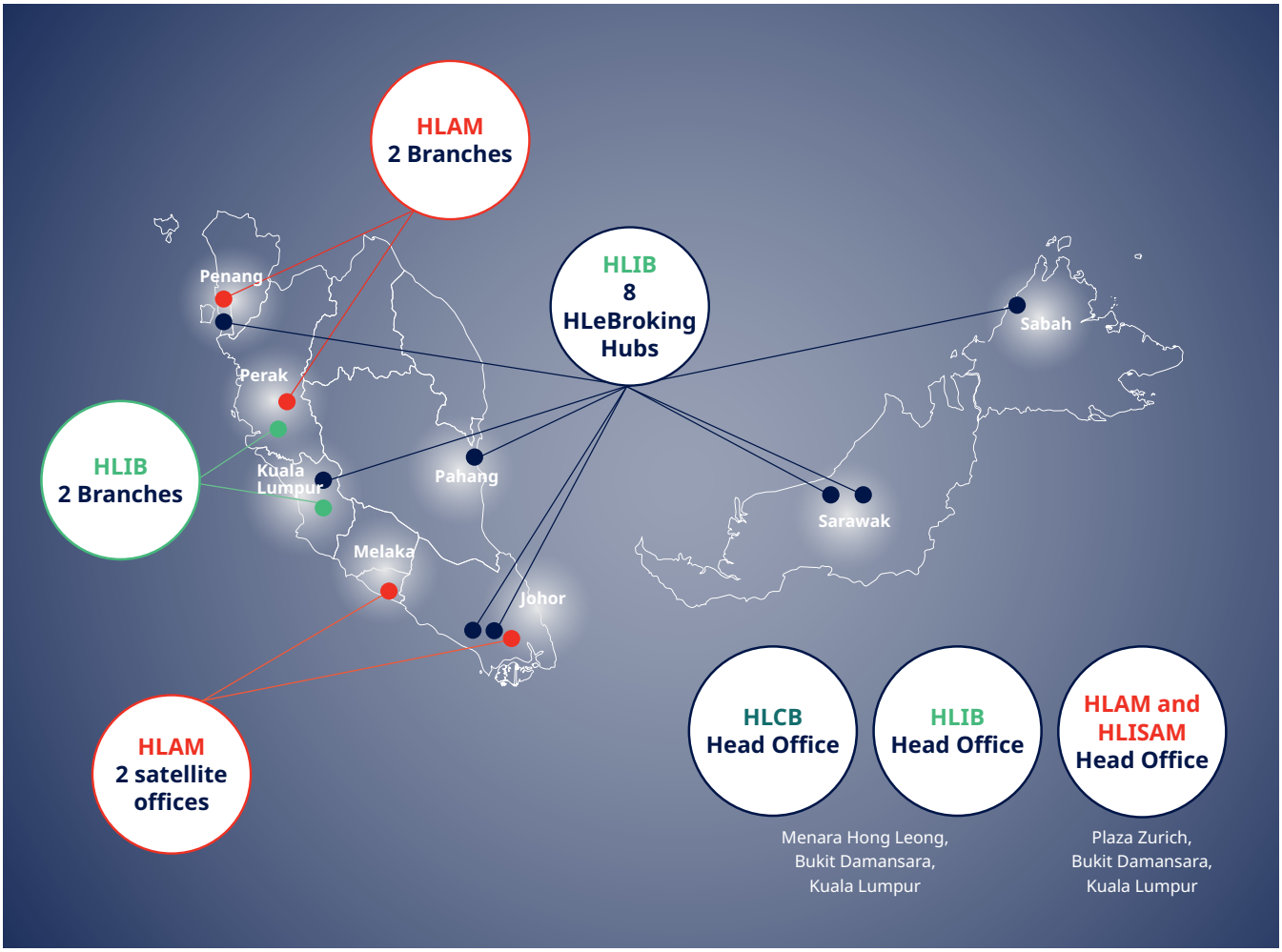
INTRODUCTION

OUR PRESENCE

Headquartered at Menara Hong Leong in Kuala Lumpur, HLCB maintains a robust presence across all regions in Malaysia to serve its expanding client base. The Group's operational reach is driven by its key subsidiaries, namely:

HLIB operates its corporate headquarters out of Menara Hong Leong, anchored by branches at Plaza Zurich, Kuala Lumpur and Persiaran Greenhill, Ipoh. HLIB further reinforces this network with 8 trading hubs situated throughout the country.

HLAM and HLISAM are headquartered at Plaza Zurich, Kuala Lumpur. Their operations are supported by branches in Penang and Ipoh, along with dedicated satellite offices in Melaka and Johor Bahru.



INTRODUCTION

HONG LEONG CAPITAL'S KEY BUSINESS PILLARS ARE:

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.

HLIB Investment Banking

Debt Markets

- ✓ 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

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

Treasury & Markets

- ✓ 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

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

Retail Business

- ✓ 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 license 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 & HLISAM Fund Management, Unit Trust Management and Private Retirement Schemes

Investment

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

Product

- ✓ 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

- ✓ 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.

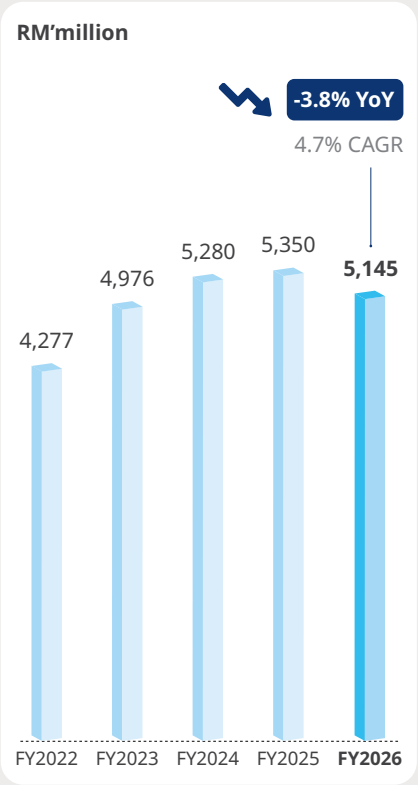
FIVE YEAR GROUP FINANCIAL HIGHLIGHTS

The Group	FY2022 RM'million	FY2023 RM'million	FY2024 RM'million	FY2025 RM'million	FY2026 RM'million
Statements of Financial Position					
Total Assets	4,277	4,976	5,280	5,350	**5,145**
Net Loans	394	410	309	271	**219**
Total Liabilities	3,332	4,010	4,252	4,310	**4,091**
Deposits from Customers	760	704	759	568	**799**
Shareholders' Funds	945	965	1,027	1,040	**1,054**
Commitments and Contingencies	5,968	8,279	10,849	12,973	**17,380**
Statements of Income					
Revenue	223	196	270	217	**227**
Profit Before Taxation	97	61	122	78	**85**
Net Profit	72	50	98	58	**66**
Key Performance Indicators					
Book Value per Share (RM)	4.0	4.1	4.4	4.4	**4.5**
Earnings per Share (sen)	30.7	21.2	41.5	24.8	**27.8**
Net Dividend per Share (sen)	19.0	17.0	22.0	19.0	**18.0**

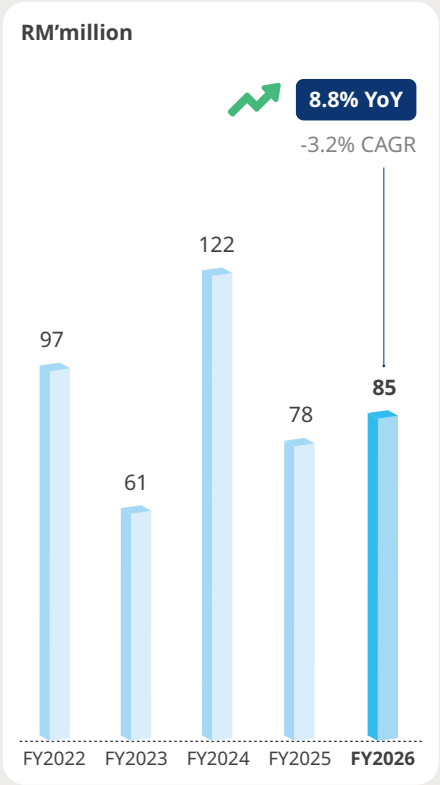
The Group	FY2022 %	FY2023 %	FY2024 %	FY2025 %	FY2026 %
Financial Ratios					
Profitability Ratios					
Return on Equity	7.6%	5.2%	9.8%	5.7%	**6.3%**
Return on Average Assets	1.7%	1.1%	1.9%	1.1%	**1.3%**
Cost to Income Ratio	56.8%	68.8%	54.9%	63.9%	**62.3%**
Asset Quality/Loan Ratios					
Gross Loans to Deposits Ratio	51.9%	58.3%	40.7%	47.7%	**27.4%**
Gross Impaired Loans Ratio	0.0%	0.0%	0.0%	0.0%	**0.0%**

FIVE YEAR GROUP FINANCIAL HIGHLIGHTS

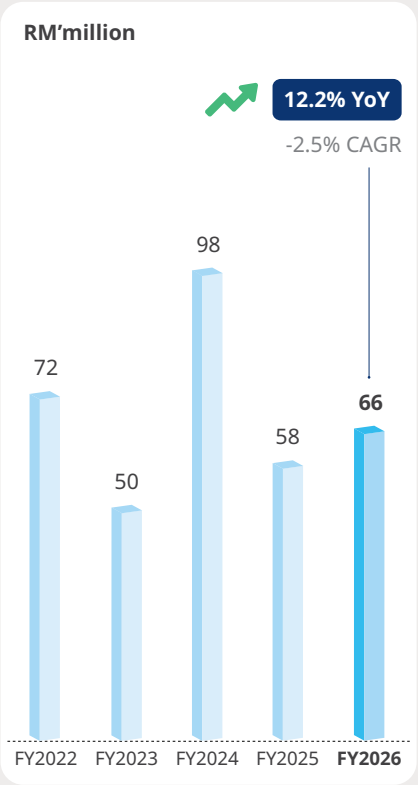
Group Total Assets



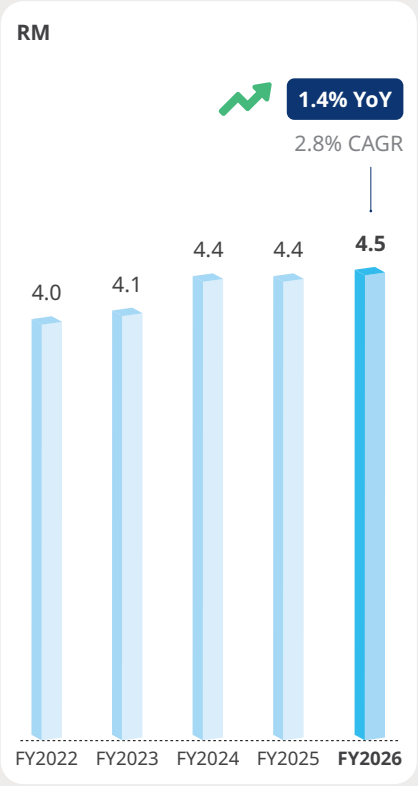
Group Profit Before Taxation



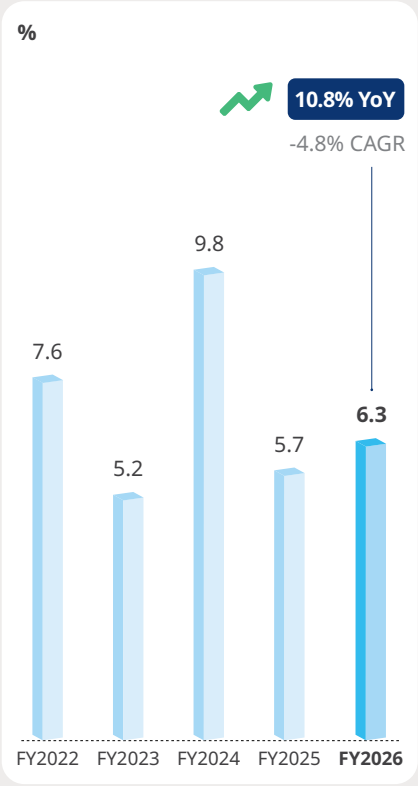
Group Net Profit



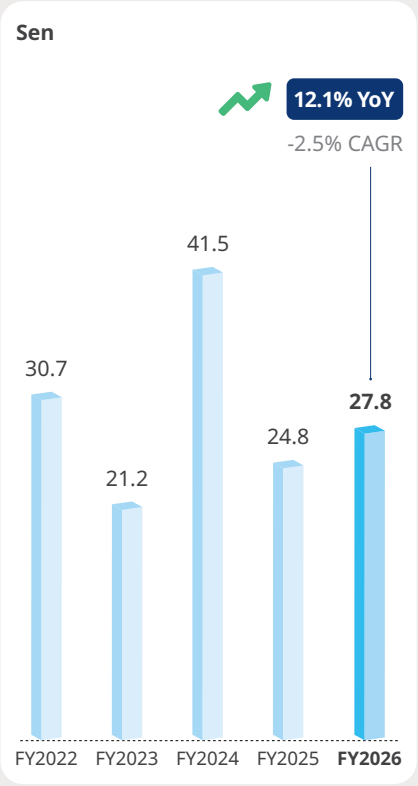
Book Value per Share



Group Return on Equity



Group Earnings per Share



CHAIRMAN'S STATEMENT

FOSTERING RESILIENCE, DRIVING GROWTH

In the financial year under review, the global economy faced unprecedented challenges stemming from evolving trade conditions and heightened geopolitical instability, which dampened investment appetite and disrupted international commerce. Against this landscape, Hong Leong Capital Berhad ("HLCB" or "the Group") has demonstrated resilience by remaining focused on strengthening our business franchise and supporting our clients.

I am pleased to report HLCB has recorded a 12% year-on-year ("y-o-y") growth in net profit to RM65.6 million for the financial year ended 30 June 2026 ("FY2026"). The Board of Directors has declared a final single-tier dividend of 18.0 sen per share for FY2026, amounting to a total payout of RM44.4 million.

During the year, HLCB has broadened our product suite through business innovation and increased partnerships with leading international wealth management firms. The Group has also improved workforce productivity by deploying technologies that reduce repetitive tasks to increase focus on higher value activities. In terms of sustainability, the Group has deepened our efforts in making a positive impact for all stakeholders in line with our Environmental, Social and Governance ("ESG") principles.

As we build on this progress, I am confident that HLCB is well-positioned to capture further growth opportunities and navigate the complex operating landscape. 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 FY2026.

ECONOMIC AND MARKET LANDSCAPE

The global economy faced significant uncertainty arising from shifting trade policies and heightened geopolitical tensions. The escalation of conflict in the Middle East erupted into open-conflict on 28 February 2026 disrupting energy markets and shipping through the Strait of Hormuz, adding to inflationary pressures and risks to global growth.

Despite these external headwinds, Malaysia's economy remained resilient as GDP expanded by 5.7% y-o-y in the first half of 2026, supported by sustained domestic demand, continued private sector spending, investment activity and sustained demand in the electrical and electronics sector.

Gross corporate bond and Sukuk issuances expanded by 59% to RM207 billion, while net issuances rose by 168% to RM75 billion anchored by major institutional, financial and sovereign-linked issuances. However, broader commercial deal-making encountered longer timelines to complete amid prevailing market uncertainties.

CHAIRMAN'S STATEMENT

In the domestic equity market, total trading value on Bursa Malaysia expanded by 7% y-o-y to RM781 billion, with the daily average trading value rising to RM3.20 billion. While headline volume was supported by foreign flows of RM248 billion and local institutional participation of RM330 billion, retail trading sentiment remained subdued throughout the financial year. Consequently, Bursa Malaysia's retail traded value contracted by 5% y-o-y to RM203 billion.

GROWTH IN SHAREHOLDER VALUE

In FY2026, HLCB delivered a growth in net profit of 12% y-o-y to RM65.6 million, which translated into an improved Return on Equity ("ROE") of 60 bps to 6.3%. HLCB's earnings per share ("EPS") for FY2026 improved by 3 sen to 27.8 sen, while net assets per share rose by 2% to RM4.50.

Hong Leong Investment Bank Berhad ("HLIB")'s Stockbroking division recorded a Profit Before Tax ("PBT") of RM35.0 million for the financial year, a 5% decline y-o-y. This lower performance was primarily attributable to a lower retail brokerage income, in tandem with Bursa Malaysia's lower retail traded value. Notwithstanding the broader market challenges, the division showcased resilience with a robust recovery during the second half of the financial year. PBT rebounded to RM20.3 million in the latter half of the year, from the RM14.7 million recorded in the first six months. This turnaround was driven by strengthening market conditions, improved operational focus and active client acquisition initiatives. The successful client acquisition efforts were recognised at the Bursa Malaysia Retail Salesforce Awards 2025, where our sales team earned top-five finishes for both the Highest Number of New Accounts Opened and the Highest Number of New Accounts Opened (Shariah).

HLIB's Investment Banking division closed the financial year with a PBT of RM19.2 million, representing a 12% decline y-o-y, primarily due to delayed deal executions at both Debt Markets and Equity Markets stemming from weaker market valuations and interest rate uncertainties. Although overall profitability was affected by these delayed mandates, the shortfall was partly mitigated by Treasury & Markets ("T&M"). T&M achieved a 61% increase in revenue to RM34.9 million, supported by higher net interest income, strong trading performance, and expanded activity across foreign exchange and fixed income sales desks.

Our fund management arm, operating under Hong Leong Asset Management Bhd ("HLAM") and Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM"), delivered a robust performance, recording a PBT growth of 31% y-o-y to RM13.4 million. Earnings were supported by performance fees and higher management fees in line with 18% y-o-y growth in Assets Under Management ("AUM"), which stood at RM15.1 billion as at 30 June 2026. The AUM growth was predominantly driven by strong inflows into our Money Market and Fixed Income Funds, reflecting investors' shift toward defensive asset classes in search of stability and capital preservation amidst market volatility. Our Islamic funds also maintained positive momentum, growing by 12% y-o-y to RM2.4 billion, reinforcing our footprint in the Shariah-compliant space. The Group's fund management capabilities were once again affirmed by the industry with HLAM being named for the fourth time, "Best Equity Malaysia Income - Malaysia Provident Fund Over 10 Years" for the Hong Leong Dividend Fund at the LSEG Lipper Fund Awards Malaysia 2026.

The Group's balance sheet and risk metrics remained strong and well-supported by solid and healthy asset quality. Our capital position remains robust to support our ongoing business growth, with the total capital ratio of our subsidiary, HLIB, standing comfortably at 40.7% as at 30 June 2026, remaining well above the minimum regulatory requirement.

CHAIRMAN'S STATEMENT

STRATEGIC PRIORITIES

HLCB is focused on creating sustainable and long-term value for our stakeholders by strengthening our franchise through product and service innovation, alongside expanding our distribution network. The Group also aims to improve our competitive edge through enterprise-wide digital transformation, and gradual adoption of Artificial Intelligence ("AI") based capabilities across our operations.

Driving Product Innovation & Client Solutions

HLCB is actively expanding our suite of financial solutions to deliver innovative, comprehensive solutions for wealth preservation and growth. In our fund management business, we partnered with Amundi, Europe's largest asset manager and a top 10 global player, to launch the Hong Leong Global Equity Fund. This fund is strategically designed to achieve capital growth over the medium and long-term investment horizon through diversified investments primarily in global markets. We also continue to leverage global expertise by extending our established partnership with Lombard Odier to introduce the Hong Leong Asia Value Bond Fund. This fixed income fund seeks to provide regular income and capital appreciation by investing in a diversified portfolio of Asian bonds, strategically blending both investment-grade and higher-yield exposures.

We have actively scaled our distribution channels to ensure our investment solutions reach a wider demographic by onboarding the Hong Leong Global Equity Fund and the Hong Leong Money Market Fund onto the iFAST digital platform, a leading portal covering Unit Trust and Private Retirement Schemes. Concurrently, we have also expanded the range of funds available through our Institutional Unit Trust Adviser ("IUTA") partners. This product expansion across both digital and traditional distribution networks broadens market accessibility and ensures that the Group is well-positioned to meet our clients' evolving wealth management needs.

Alongside these fund management initiatives, our Stockbroking division has successfully rolled out a new e-IPO subscription service, granting clients direct and convenient access to participate in upcoming initial public offerings directly through our digital platforms. In addition, the Stockbroking division has launched a unified trading application that empowers clients with seamless, single-platform access to both local and foreign exchanges across 9 countries.

The Investment Banking division launched a new Bond Investment Financing facility, tailored specifically for sophisticated investors in the local market. This targeted addition broadens our comprehensive suite of financing solutions, enabling us to better support our clients' diverse funding requirements.

Advancing Artificial Intelligence & Digital Transformation

HLCB has accelerated its digital transformation by deploying agentic AI into risk management, compliance, and operational workflows across HLIB and HLAM. Central to this effort is the deployment of our multi-agent orchestration platform that coordinates a suite of specialised AI agents working alongside our human professionals. The AI platform has lifted HLCB's workforce productivity and compressed execution timelines by automating critical reporting tasks such as stress testing, daily risk reporting and compliance checks. These AI capabilities are deployed within established governance, model validation and human oversight frameworks, with accountability for decisions remaining with qualified professionals.

Advancing Our ESG Agenda

The Group continues to embed ESG principles into our operations, investments and to serve our communities. This commitment is reflected in HLCB's FTSE4Good ESG rating, which improved from a 2-star rating in FY2025 to the highest achievable 4-star rating in FY2026. Furthermore, HLIB increased its green bond investments by 44% y-o-y to RM345 million and expanded the ESG Share Margin Financing facility's cumulative limit by 130% to RM12.9 million. The Group continued to make progress in decarbonising its operational footprint, reducing Scope 1 and Scope 2 greenhouse gas emissions by 30% against FY2019 baseline, exceeding its targeted reduction range of 15%–25%. In terms of giving back to the communities, the Group's corporate social responsibility initiatives reached a 10% y-o-y increase in total beneficiaries and recorded a 21% y-o-y rise in total volunteer hours.

COMMITMENT TO CORPORATE GOVERNANCE

The Group remains committed to maintaining high standards of corporate governance, transparency, and integrity. The Board continues to oversee the Group's risk management and internal control framework, with established policies, compliance processes and employee training. The Group maintains a zero-tolerance approach towards bribery and corruption, underpinned by its Code of Conduct and relevant policies.

CHAIRMAN'S STATEMENT

OUTLOOK

Global economic growth is expected to moderate in the upcoming financial year as conditions remain vulnerable to geopolitical and trade uncertainties. Global GDP is projected to expand by 3.0% in 2026 before improving to 3.4% in 2027, underpinned by investments in technology, strong labor markets, and broadly accommodative financial conditions. Nevertheless, developments in the Middle East, the pace of normalisation in energy prices and global supply chains, and further changes in international trade policies will continue to shape the operating environment.

Domestically, Malaysia's economy remains vulnerable to these headwinds given its export-oriented economy. Nevertheless, Malaysia's economy remains resilient, with projected 2026 GDP growth of 4.0% to 5.0% supported by strong AI-driven demand, stable commodity prices, net energy exports, and solid economic fundamentals.

Parallel to this economic resilience, Malaysian capital markets are poised for steady progress, with domestic equity and debt market deal flow expected to maintain strong momentum. This outlook is supported by a healthy pipeline of initial public offerings, strategic capital allocation into AI-driven digital infrastructure, and the continuous maturation of the national Islamic finance ecosystem. Over the medium term, the Securities Commission Capital Market Masterplan for 2026 to 2030 will introduce structural reforms aimed at deepening market liquidity, accelerating digital asset adoption, expanding sustainable finance frameworks, and reinforcing Malaysia as a premier global hub for Islamic capital market innovation. This trajectory augurs well for the Group as we focus on capturing advisory and financing opportunities across high impact national themes, including AI, semiconductors, and healthcare.

Concurrently, HLCB is focused on sharpening its competitive edge through technology. This commitment is evident in the deployment of our new Order Management System featuring algorithmic execution for institutional stockbroking clients, alongside ongoing enhancements to the HLeBroking platform. Operationally, HLCB will expand its suite of specialised AI agents across additional business divisions to deepen integration with regulatory reporting workflows and continuously strengthen model validation.

As we execute these strategic priorities, the Group will remain vigilant and continue to strengthen our risk and capital management frameworks to navigate external volatilities and safeguard asset quality. Simultaneously, HLCB will maintain cost discipline to drive ongoing operational efficiency. This disciplined approach is intended to strengthen the Group's resilience against market headwinds.

ACKNOWLEDGEMENTS

I would like to extend my heartfelt thanks and appreciation to my fellow Board members for their insightful wisdom and support. I would also like to express my gratitude to our regulators, government authorities, shareholders, customers, business partners and the community we serve for their continued confidence in Hong Leong Capital Berhad.

To our dedicated management team and employees, thank you for your efforts in delivering a commendable performance for the Group. As we start a new financial year, let us begin with renewed vigour and commitment to another year of growth and operating excellence.

TAN KONG KHOON
Chairman

18 September 2026

MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased to present the Management Discussion and Analysis for the financial year ended 30 June 2026 ("FY2026").

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

SCAN THE QR CODE TO VISIT OUR WEBSITE.

PERFORMANCE HIGHLIGHTS

Hong Leong Capital Berhad delivered a solid financial performance for FY2026. Total revenue increased by 4.8% year-on-year ("y-o-y") to RM227.0 million, driven primarily by improved Treasury & Markets performance, higher equity investment gains, and robust expansion in fund management. Consequently, net profit grew by 12% y-o-y to RM65.6 million, increasing our earnings per share to 27.8 sen from 24.8 sen in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Higher gains in equity investments and an improved performance from our unit trust and fund management business, where Profit before Tax ("PBT") surged 31% to RM13.4 million mitigated the effects of a softer retail stock-trading environment. This market environment moderated our Stockbroking division's PBT to RM35.0 million, alongside extended deal completion timelines across Debt and Equity Markets. Despite these conditions, the Stockbroking division remained the primary contributor to revenue and earnings for HLCB in FY2026, accounting for 43% of Revenue and 41% of PBT. A detailed analysis of each business division's performance is provided in the Segmental Review section.

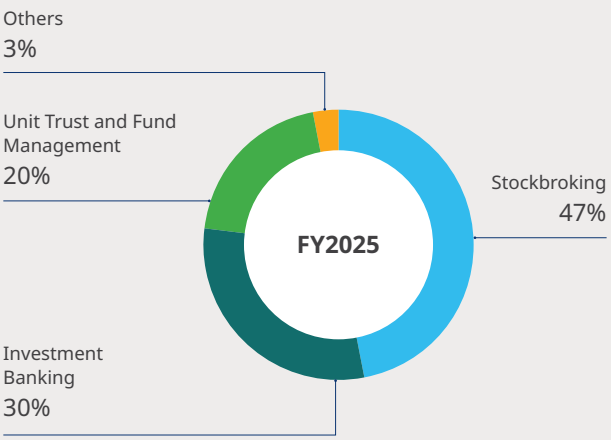
The Board of Directors has proposed a final single-tier dividend of 18.0 sen per share, amounting to RM44.4 million for FY2026. The dividend payout underscores the Group's disciplined approach to capital management and commitment to rewarding our shareholders.

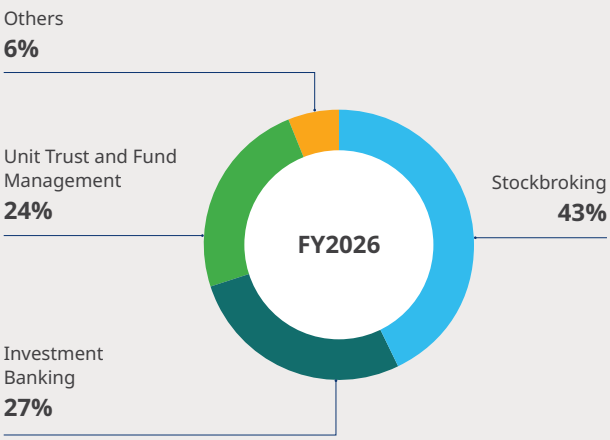
	Investment Banking RM'Million	Stockbroking RM'Million	Unit Trust and Fund Management RM'Million	Others RM'Million	Total RM'Million
FY2026					
Revenue	**60.7**	**97.6**	**55.3**	**13.4**	**227.0**
PBT	**19.2**	**35.0**	**13.4**	**17.8***	**85.4**
FY2025					
Revenue	64.7	101.4	44.2	6.2	216.5
PBT	21.8	36.7	10.2	9.8	78.5

* Includes Mark-to-Market gains of investments.

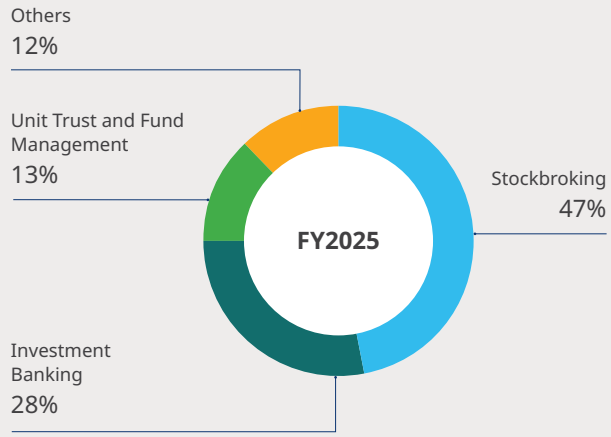
MANAGEMENT DISCUSSION AND ANALYSIS

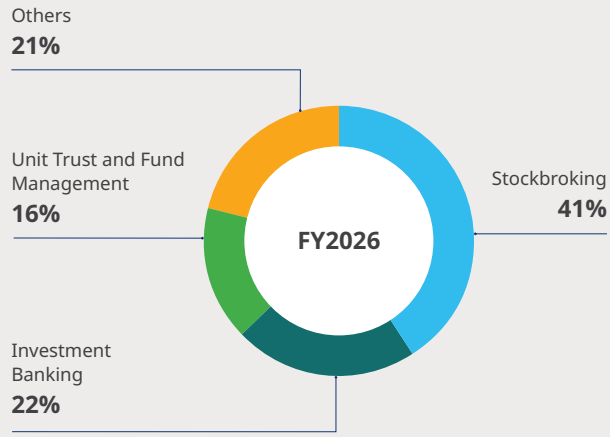
Composition of Revenue by Business Segment (%)





Composition of PBT by Business Segment (%)



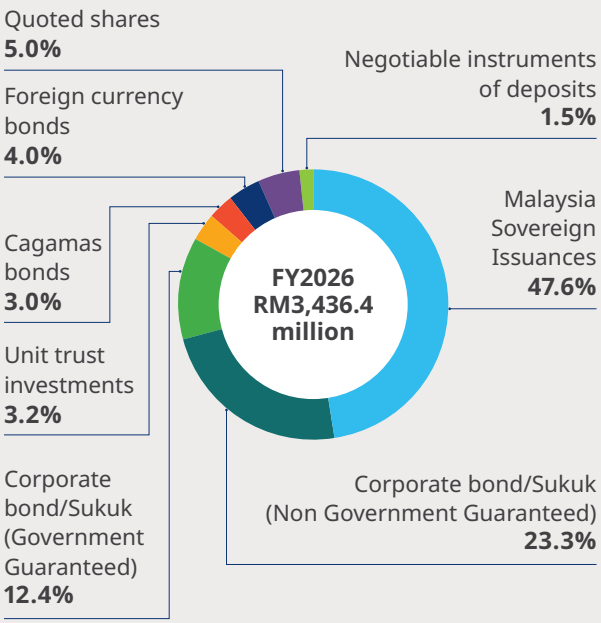


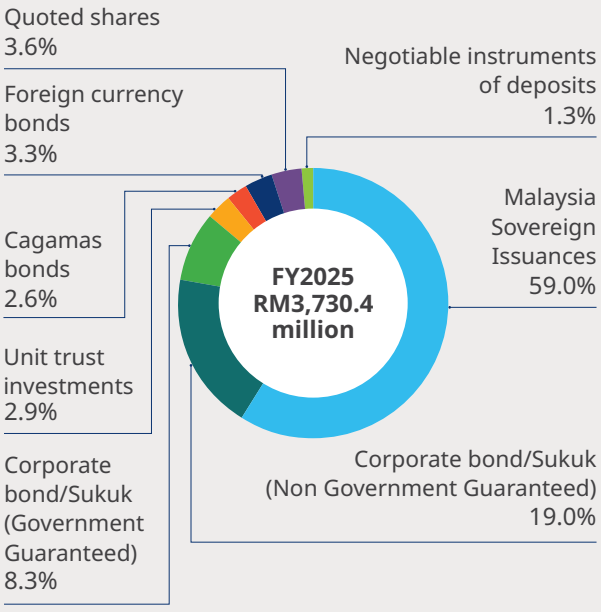
ASSET QUALITY AND LIQUIDITY MANAGEMENT

HLCB maintained a resilient balance sheet in FY2026, anchored by disciplined asset-liability management and a high-grade investment portfolio. Total financial investments stood at RM3,436 million, prioritising capital preservation and robust liquidity through majority allocations to Malaysian Sovereign Issuances (47.6%) and Government Guaranteed Corporate Bonds/Sukuk (12.4%). The contraction of 7.9% y-o-y was primarily driven by portfolio rebalancing to lock in accumulated trading gains and mitigate exposure to macroeconomic uncertainties.

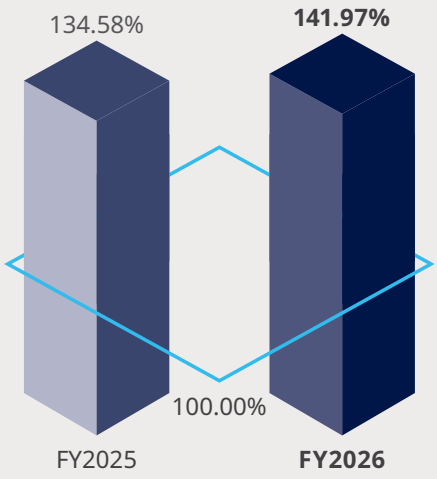
Our principal operating subsidiary, HLIB, further strengthened its liquidity profile during the year. Its 12-month rolling average Liquidity Coverage Ratio ("LCR") reached 142.0% while the Net Stable Funding Ratio ("NSFR") strengthened to 155.9%. Both metrics remain well above Bank Negara Malaysia's regulatory thresholds, providing substantial financial headroom to navigate market volatility.

Composition of Financial Investments by Type (%)



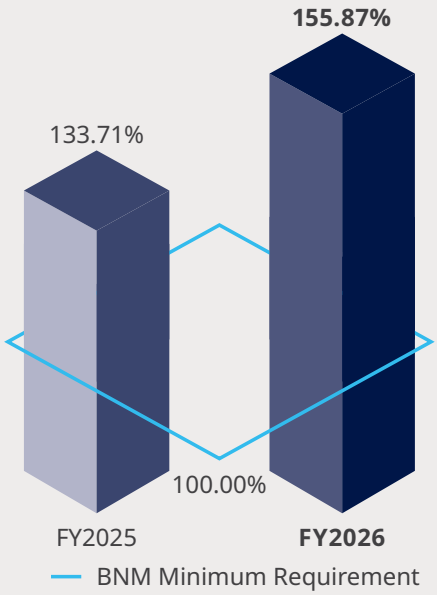


HLIB Liquidity Coverage Ratio



LCR using rolling 12-months average based on Bank Negara's guidelines on liquidity risk disclosure

HLIB Net Stable Funding Ratio



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL MANAGEMENT

Capital Management Framework

HLCB's capital management strategy aligns our risk profile with long-term strategic priorities, striking an optimal balance between business expansion, capital preservation, and sustainable shareholder returns.

The core objectives of our Capital Management Framework are
- Meeting all regulatory requirements at all times
- Optimising sustainable returns to shareholders
- Maintaining an adequate level of capital with 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

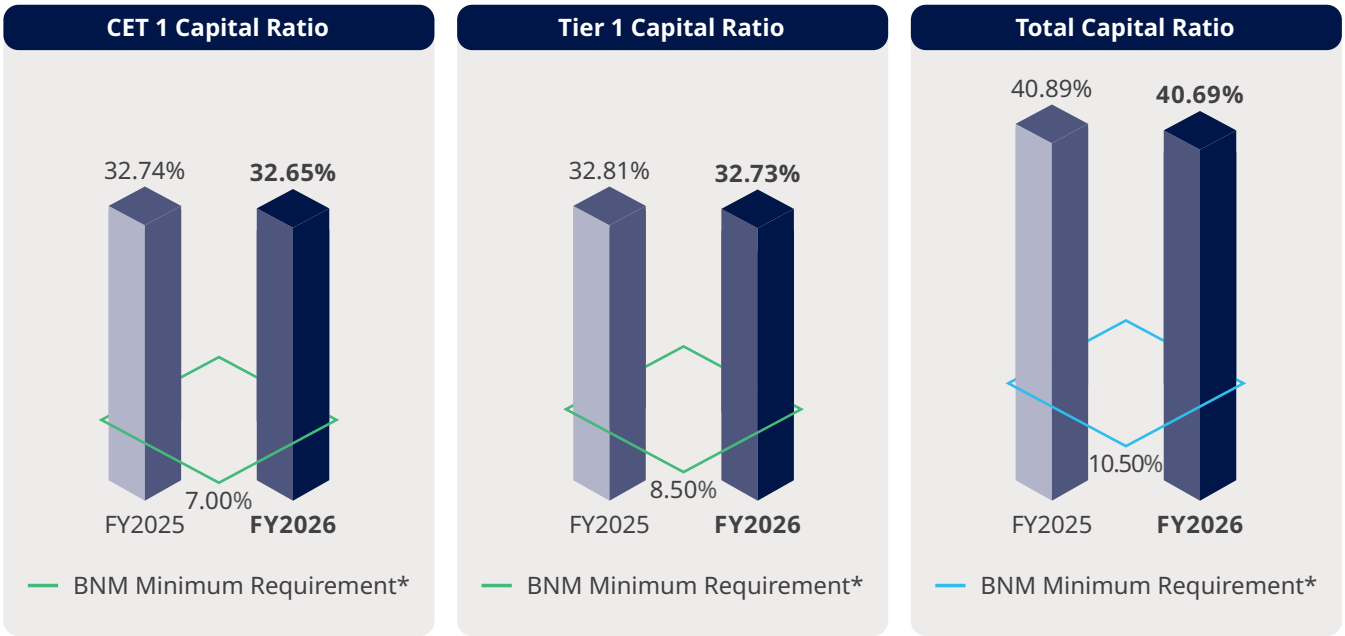
Capital Programme

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 2026, 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 2026: • 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. On 13 June 2024, 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 2026.



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

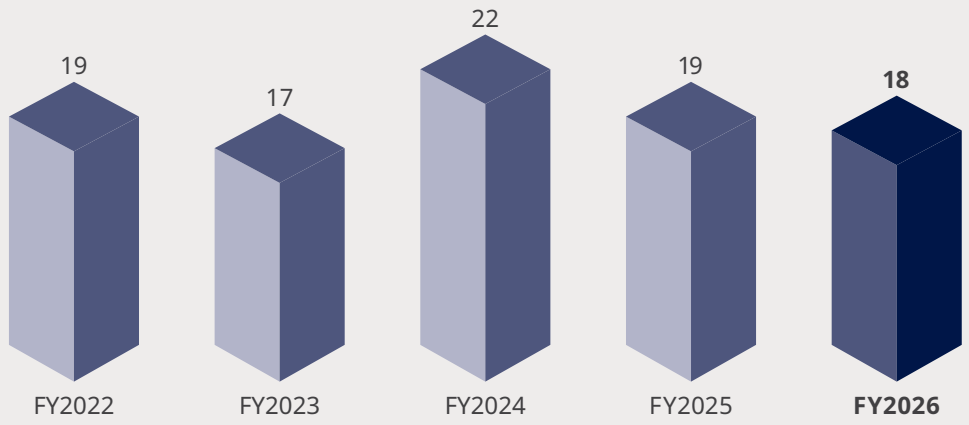
MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

While HLCB does not operate under a fixed dividend payout policy, our dividend distribution remains focused on striking an optimal balance between business reinvestment and sustainable shareholder returns.

Over the past five years, our payout track record reflects this disciplined capital allocation strategy, dynamically aligning distributions with our business performance, strategic growth priorities, and prevailing macroeconomic conditions.

Dividend Per Share (sen)



Credit Ratings

RAM Ratings Services Berhad reaffirmed HLIB's financial institution ratings of AAA/Stable/P1 as of June 2026. This affirmation validates HLIB's prudent risk management practices and financial strength.

SEGMENTAL REVIEW

INVESTMENT BANKING BUSINESS

Financial Highlights

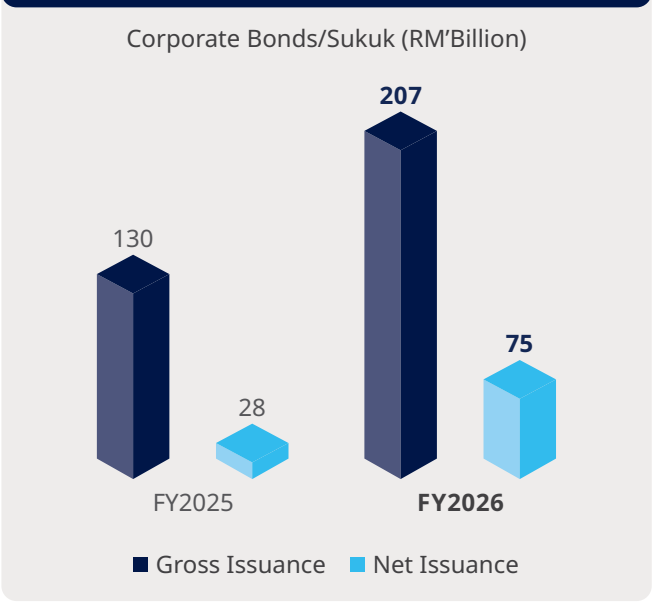
	FY2026 RM'Million	FY2025 RM'Million	Change %
Revenue:			
• Debt Markets	**11.6**	26.8	(57%)
• Equity Markets	**7.8**	11.1	(30%)
• Treasury & Markets	**34.9**	21.7	61%
• Others	**6.4**	5.1	26%
Total revenue	**60.7**	64.7	(6%)
PBT	**19.2**	21.8	(12%)

MANAGEMENT DISCUSSION AND ANALYSIS

Our Investment Banking business recorded a PBT of RM19.2 million for FY2026, a 12% decrease y-o-y, attributable to lower income from Debt and Equity Markets. Fee income from both our Debt Markets and Equity Markets businesses, is highly dependent on transaction timelines. These timelines are, in turn, affected by various factors, including the timing of mandate procurement, compliance requirements, market conditions (both domestic and global) and investor sentiment. Notwithstanding the robust deals pipeline built during the financial year, the billings could not materialise within the financial year and are mostly being carried forward. Nevertheless, the underlying strength and caliber of our advisory franchise remain firmly intact, evidenced by our continued recognition in prestigious industry awards. The cyclical shortfall was partially cushioned by a commendable performance from our Treasury & Markets ("T&M"), where revenue surged 61% to RM34.9 million on the back of higher net interest income and strong trading performance.

DEBT MARKETS

Malaysian Debt Capital Markets



In FY2026, the Malaysian corporate bond and Sukuk market recorded robust growth, with gross issuances expanding to RM207 billion (FY2025: RM130 billion) and net issuances reaching RM75 billion (FY2025: RM28 billion). This overall growth was primarily driven by major institutional and sovereign-linked issuances.

However, broader commercial deal-making across the industry experienced extended completion timelines as corporate issuers navigated global interest rate uncertainties and inflation fears stemming from supply chain disruptions. As a result, our Debt Markets revenue of RM11.6 million for the period under review, was impacted by the delayed progress of mandate milestones and billings.

Despite these timing-related delays, the team continued to actively build its deals pipeline by focusing on value-added financing proposals. Transactions in the pipeline pending completion cover a wide spectrum from asset securitisation, project financing and ESG/ sustainability financing. During the financial year, nine (9) ESG-related issuances were completed with total issue size of RM252.0 million. These milestones reflect our ongoing commitment in supporting our clients' green transition, lowering their carbon footprint, and advancing the national sustainability agenda.

In line with our strategy to broaden our comprehensive suite of financing solutions for investments in the domestic debt capital market, we successfully launched the Bond Investment Financing facility. Tailored specifically for sophisticated investors particularly the qualified high-net worth investors, this facility provides customised financing for investments in highly-rated bonds and Sukuk, strategically complementing our existing capital market products offering.

The Debt Market's commitment to delivering quality and innovative financing solutions was once again recognised by the industry in FY2026, receiving the following accolades:

Benih Restu Berhad
- **RM2.0 Billion Sukuk Wakalah Programme**
  - Best Local Currency Sukuk in Asia 2025 by Alpha Southeast Asia 19th Annual Best Deal & Solution Awards

TG Treasury Berhad
- **RM3.0 Billion Sukuk Programme**
  - Best Sukuk - Manufacturing by The Asset Triple A Islamic Finance Awards 2026

Ideal Water Resources Sdn Bhd
- **RM1.0 Billion Sukuk Murabahah Programme**
  - Best Sukuk - Water by The Asset Triple A Islamic Finance Awards 2026

Zamarad Assets Berhad
- **RM2.0 Billion Asset-backed Securitisation Sukuk Murabahah Programme**
  - Best Securitisation Sukuk - Personal Loans by The Asset Triple A Islamic Finance Awards 2026

MANAGEMENT DISCUSSION AND ANALYSIS

EQUITY MARKETS

Our Equity Markets reported a revenue of RM7.8 million for FY2026, representing a 30% contraction from the previous financial year. This performance was primarily impacted by extended completion timelines and weaker market valuations that resulted in delays across several key initial public offering ("IPO") mandates.

Despite these market-driven delays, the underlying deal pipeline remains resilient. We continue to actively manage a healthy flow of corporate advisory and IPO mandates. Subject to market conditions, regulatory approvals and successful completion, a number of mandates carried forward from FY2026 are expected to contribute to fee income in the coming financial year.

To navigate the softer IPO momentum and diversify our revenue streams, Equity Markets has accelerated its strategic focus on Merger & Acquisition ("M&A") transactions and other corporate advisory services to expand our fee-based income capabilities. By intensifying our engagements in independent advisory, corporate restructuring, and strategic M&A exercises, we are establishing a more resilient foundation for diversified fee-based income. Moving forward, Equity Markets is well-positioned to capitalise on the anticipated market vibrancy, aligning our advisory expertise with national structural reforms and high-impact capital market themes to drive sustainable revenue growth.

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

IPO Exercise	Listing of Polymer Link Holdings Berhad on the ACE Market of Bursa Malaysia, oversubscribed by 48.7 times, raising RM30.3 million.
Corporate Advisory Exercise	Proposed Acquisition by Mtrustee Berhad (on behalf of IGB REIT) of the Mall, Mid Valley Southkey, Johor for a purchase consideration of RM2.65 billion.
	Acquisition by RHB Trustee Berhad (on behalf of AME REIT) of 3 industrial properties for a total cash consideration of RM100.8 million from AME Elite Consortium Berhad.
	Disposal of 3 industrial properties by AME Elite Consortium Berhad for a total cash consideration of RM100.8 million to RHB Trustee Berhad (on behalf of AME REIT).
	Acquisition by KJTS Group Berhad of 100% of Malakoff Utilities Sdn Bhd for a total cash consideration of RM65.5 million.
	Acquisition by Sunview Group Berhad of a 50 megawatt large scale photovoltaic power generation plant for a total cash consideration of RM70.0 million.

The excellence of our advisory franchise was reaffirmed through multiple prestigious regional awards during the financial year, including:

Gateway Development Alliance Consortium (Khazanah, EPF, GIP and ADIA)

- **RM12.30 Billion Privatisation of Malaysia Airports Holdings Berhad**
  - Best Privatisation by The Asset Triple A Sustainable Finance Awards 2026
  - Best M&A Deal by FinanceAsia Achievement Awards 2025

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY & MARKETS

Standing out as the primary growth engine for the Investment Banking business this year, T&M recorded strong growth in FY2026, with revenue increasing 61% to RM34.9 million. This commendable achievement was driven by a combination of increased net interest income and strong trading income. T&M successfully navigated a turbulent macroeconomic landscape by crystallising trading profits during the first half of the year, before shifting to a defensive portfolio stance to shield its accumulated gains against escalating global uncertainties. In addition, the trading income was further complemented by increased activities and revenue across our FX and Institutional Sales desks.

T&M was also able to enhance its net interest margins and ensured a steady stream of recurring income by optimising its funding costs and deposit base amidst a volatile interest rate environment.

During the period under review, T&M has expanded the size of its sustainability-focused investments in Green Bonds to RM345.0 million as at end-June 2026. This continuous expansion reflects our commitment to driving the Group's ESG agenda.

MOVING FORWARD

As the Malaysian capital markets enter a new phase of expansion under the Securities Commission's Capital Market Masterplan 2026–2030, our Investment Banking division is strategically positioned to capture growth across high-impact national themes. We will leverage our growing capabilities in green finance to advance the national Energy Transition agenda and actively support resilient sectors such as the healthcare industry.

We remain committed to deepening our product suites, including scaling our newly introduced Bond Investment Financing facility and harnessing synergies across the broader Hong Leong Financial Group to broaden our revenue base. Concurrently, our T&M will maintain its disciplined approach to risk and portfolio management, ensuring stable net interest margins while navigating the ongoing complexities of the global macroeconomic landscape.

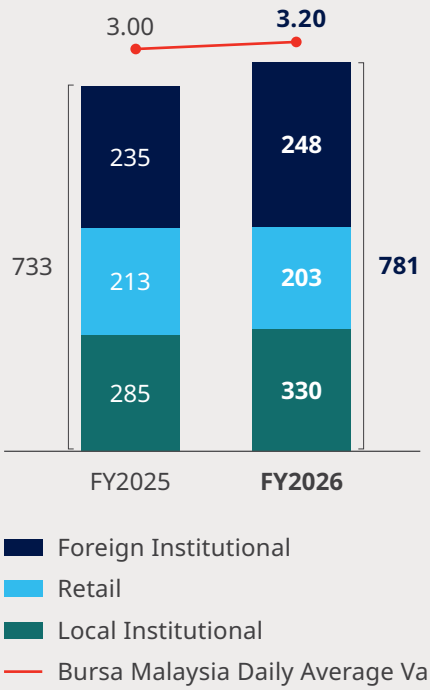
MANAGEMENT DISCUSSION AND ANALYSIS

STOCKBROKING BUSINESS

Financial Highlights

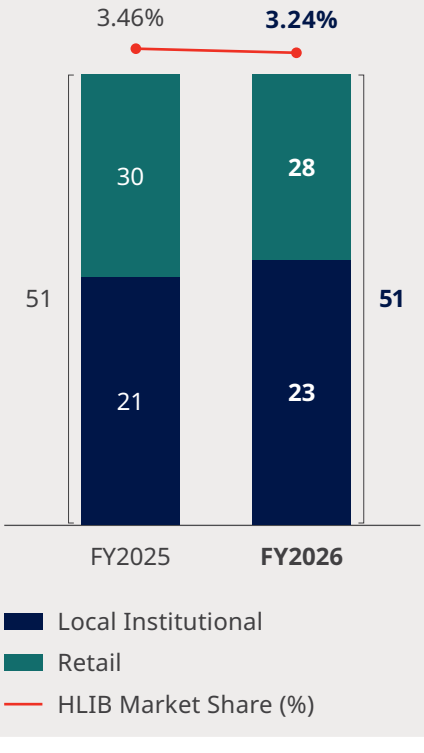
	FY2026 RM'Million	FY2025 RM'Million	Change %
Revenue:			
• Stockbroking	**90.2**	93.7	(4%)
• Futures	**3.4**	5.9	(42%)
• Equity derivatives	**4.0**	1.8	122%
Total revenue	**97.6**	101.4	(4%)
PBT	**35.0**	36.7	(5%)

Bursa Malaysia Traded Value (RM'Billion)



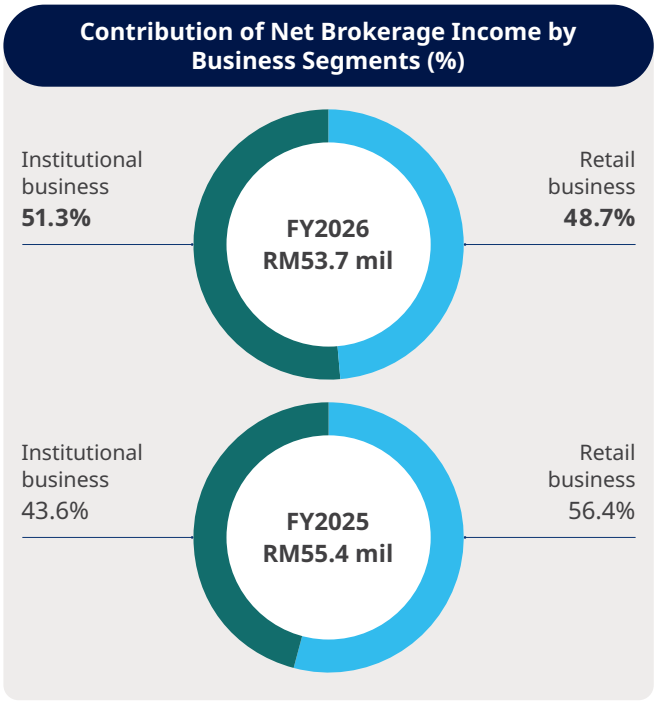
FY2025 restated following Bursa Malaysia's trading data reclassification

HLIB Traded Value and Market Share (RM'Billion)



MANAGEMENT DISCUSSION AND ANALYSIS

Contribution of Net Brokerage Income by Business Segments (%)



During the financial year, the Stockbroking division recorded a PBT of RM35.0 million, declining 5% y-o-y primarily affected by a softer retail trading environment that led to a lower net brokerage income. Despite a lower PBT of RM14.7 million in the first half of the financial year, the division staged a robust recovery in the second half of the year to post a PBT of RM20.3 million, underpinned by improved operational focus, active client acquisition campaigns and the rollout of key digital platform enhancements.

In the period under review, overall trading value on Bursa Malaysia expanded by 7% to RM781 billion, with the average daily value rising to RM3.20 billion from RM3.00 billion in FY2025. While broader market volumes expanded, this growth was primarily fueled by foreign flows and local institutional participation, which surged to RM248 billion and RM330 billion respectively. In contrast, total industry retail participation contracted to RM203 billion. Notably, market activity was heavily skewed towards a heightened flow of strategic investment and divestment, alongside increased block deal activity, rather than broad-based market participation. HLIB intensified its focus on capturing institutional flows and executing Direct Business Transactions. Consequently, the division's brokerage income composition shifted higher towards institutional execution in FY2026, helping to offset the decline in retail segment contribution. Against this backdrop, HLIB's traded value stood at RM51 billion, translating to an overall market share of 3.24%.

The Equity Derivatives desk emerged as a key contributor during the financial year, successfully executing trading opportunities with precision and agility. As a result, this segment's revenue contribution increased more than 100% y-o-y to RM4.0 million.

As of 30 June 2026, the division's Share Margin Financing outstanding loan portfolio stood at RM219 million, as compared to RM271 million recorded in the preceding year. This contraction reflects a disciplined approach to credit management ensuring asset quality is safeguarded during periods of heightened market volatility.

Diversifying Investment Instruments and Financing Solutions

In FY2026, the division focused on expanding its product suite to enhance client portfolio yields and risk management options. The division successfully introduced the REITs Financing Facility, a tailored margin offering with a Margin of Finance of up to 65%. This facility is designed for clients looking to increase their ownership of diversified, high-quality real estate units on a leveraged basis, providing an avenue to potentially earn stable dividend income while capitalising on opportunities within the broader real estate sector.

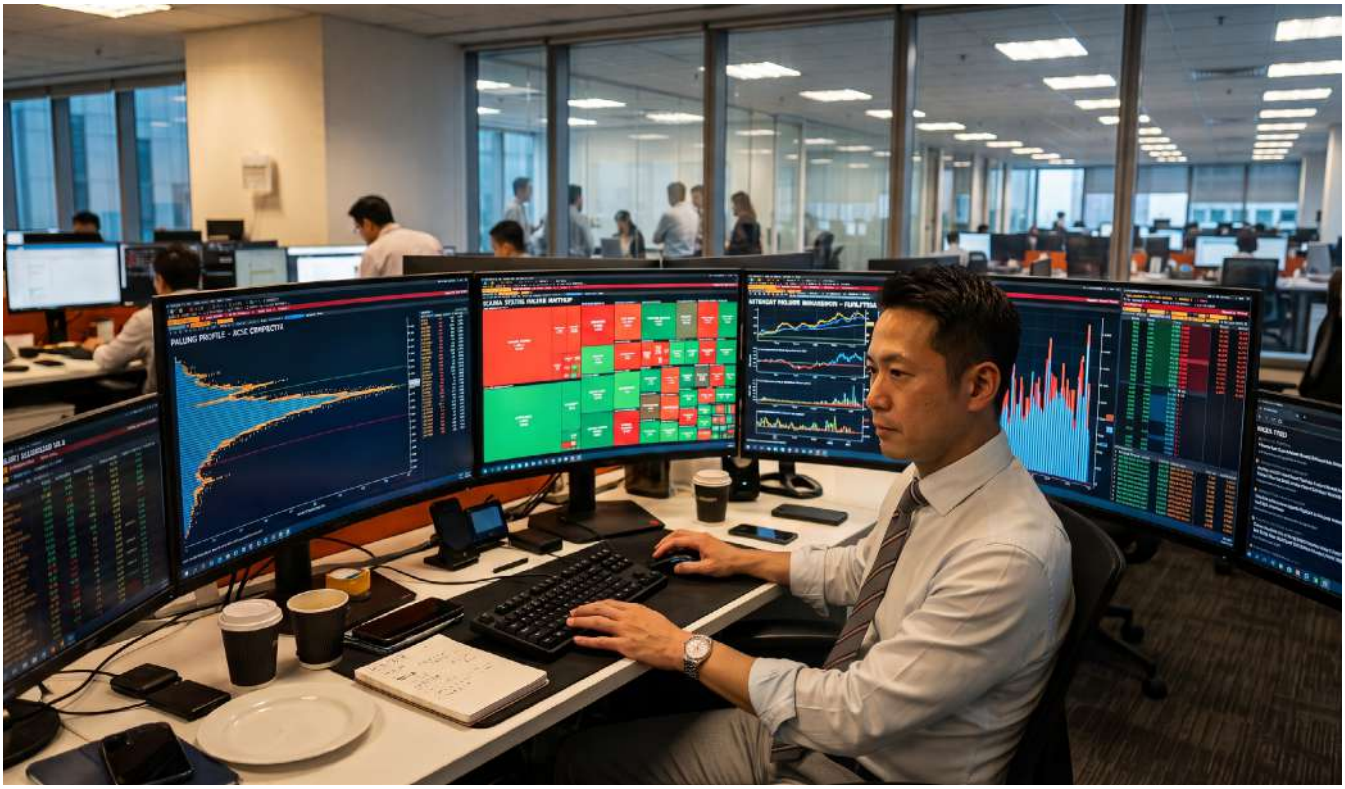
Concurrently, to foster greater retail participation in the derivatives space, the Futures desk enabled client access to Bursa Malaysia's newly launched Mini FTSE Bursa Malaysia KLCI Futures (FKLM) via HLeFutures platform, providing retail investors with a more accessible tool for portfolio risk management.

Enhancing Platform Capabilities and Cross-Border Integration

Platform consolidation and modernisation remain central to the division's value proposition. During the financial year, a major technological milestone was achieved with the successful integration of our local and foreign trading applications into a single, unified HLeBroking mobile application. Officially launched in January 2026 following a period of rigorous testing, this consolidation empowers clients to seamlessly execute trades across both domestic and global equities via a single interface, streamlining cross-border portfolio management.

MANAGEMENT DISCUSSION AND ANALYSIS

The division is evaluating future enhancements to its platform roadmap to further elevate the user interface and experience (UI/UX). Strategic priorities under review include expanding cross-border capabilities such as mobile app currency conversion, advanced foreign charting tools, and Smart Orders types alongside exploring unified trading limits to facilitate cross-collateralised local and foreign trading. These initiatives are designed to empower our clients with greater trading agility, improved capital efficiency and a truly seamless cross-border investment experience.



Broadening Retail Equity Distribution and Institutional Execution Systems

To expand its digital service offerings and provide retail clients with access to the primary market, the division successfully introduced its e-IPO subscription services via the HLeBroking web portal in November 2025. Driven by strong market traction and high investor demand, this service was subsequently rolled out to the mobile application in June 2026. This initiative saw encouraging initial adoption particularly among first-time e-IPO applicants, underscoring the platform's effectiveness in attracting a new investor segment and driving retail participation across multiple IPO issuances.

Complementing its retail-focused initiatives, the division will expand its focus to include comprehensive technological upgrades for institutional clients. The division will implement a new Order Management System ("OMS") featuring advanced algorithmic execution capabilities. This enhancement is purposefully designed to unlock new low-touch business capabilities by minimising execution friction and elevating overall transactional efficiency for the institutional equities desk, ensuring the division's competitiveness in catering to ever-evolving institutional client needs.

INDUSTRY RECOGNITION

Demonstrating the division's commitment to expand market reach and drive client acquisition, the Stockbroking team's retail salesforce contributions was recognised at the prestigious Bursa Malaysia Retail Salesforce Awards 2025. The division secured top-five rankings in both the 'Highest Number of New Accounts Opened' and 'Highest Number of New Accounts Opened (Shariah)' categories. This achievement underscores the division's ongoing effectiveness in broadening its client base and strengthening its footprint within the domestic retail segment.

MOVING FORWARD

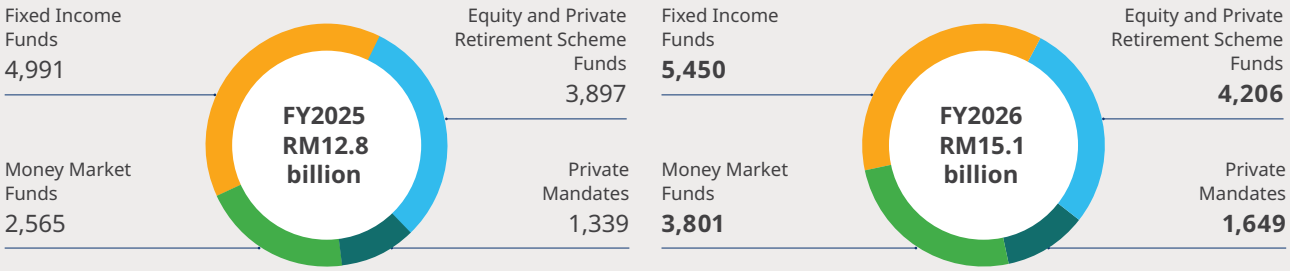
Looking ahead, the Stockbroking division will expand its market presence by targeting High-Net-Worth Individuals and corporate clients while leveraging the Hong Leong Financial Group network to position our solutions alongside broader group services. To support this growth, we are dedicated to elevating the overall trading experience by expanding our suite of product offerings and continuously rolling out platform modernisations.

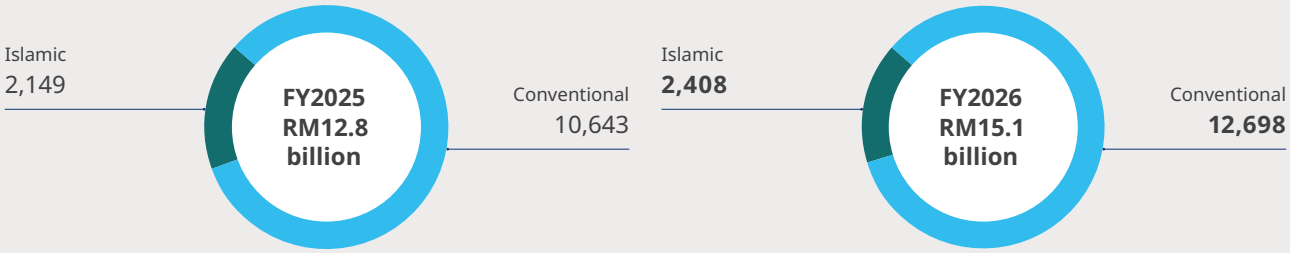
MANAGEMENT DISCUSSION AND ANALYSIS

UNIT TRUST AND FUND MANAGEMENT BUSINESS

	FY2026 RM'Million	FY2025 RM'Million	Change %
Revenue	**55.3**	44.2	25%
PBT	**13.4**	10.2	31%

Assets Under Management by Fund Class (RM'Million)





Our unit trust and fund management business, operated under Hong Leong Asset Management Bhd ("HLAM") and its subsidiary, Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM"), delivered a strong performance in FY2026, recording a PBT of RM13.4 million. The 31% y-o-y growth in earnings was primarily driven by higher performance fees earned from managing private mandates, alongside higher management fees in tandem with the expansion of our Assets Under Management ("AUM").

Our total AUM recorded a robust 18% y-o-y growth, increasing from RM12.8 billion to RM15.1 billion by the close of the financial year. This growth trajectory was predominantly fueled by strong inflows into our defensive asset classes, particularly our Fixed Income and Money Market Funds, as investors sought stability and capital preservation amidst market volatility. A notable highlight during the year was the strong performance of our Hong Leong Money Market Fund, which saw its AUM surge by 50% y-o-y to reach RM3.67 billion. The fund consistently demonstrated its value proposition by delivering a steady 1-year return of 3.26%, outperforming its benchmark rate of 1.01%.

Islamic Asset Management

Operating through HLISAM, our Shariah-compliant investment arm delivered a strong performance, underscoring our capability to capture the growing domestic appetite for ethical and Shariah-compliant wealth solutions. For the year under review, total Islamic AUM successfully charted a 12% y-o-y expansion, closing the year at RM2.4 billion.

This upward trajectory was anchored largely by investor's interest in our Islamic Fixed Income portfolios, as market participants actively rebalanced their asset allocations towards more defensive and liquid instruments. A standout performer within this category was the Hong Leong Islamic Income Management Fund that achieved a 21% y-o-y growth in its AUM. Furthermore, our portfolio managers successfully delivered a 1-year yield of 2.98%, exceeding its benchmark rate of 1.35%.

MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTION OF KEY STRATEGIC PRIORITIES

Strategic Alliances and Product Diversification

A primary driver of our value proposition in FY2026 was the strategic expansion of our product shelf, leveraging partnerships with premier global asset managers to offer our clients sophisticated, internationally diversified portfolios. A summary of the key highlights include:

Forged a new strategic partnership with Amundi, Europe's largest asset manager and a top 10 global player, to launch the Hong Leong Global Equity Fund. This collaboration allows our clients to tap into Amundi's extensive global investment expertise, providing robust exposure to a globally diversified portfolio of high-quality equities across developed markets. The market reception of this product has been positive, successfully capturing RM67 million in AUM in its first year of launch.

Building on the successful foundation of our partnership with Lombard Odier, which saw the launch of the highly acclaimed Hong Leong All Roads Funds in the previous financial year, we deepened our collaboration in FY2026 to introduce the Hong Leong Asia Value Bond Fund. This fixed-income fund is designed specifically for sophisticated investors seeking both steady income and long-term capital appreciation. By leveraging Lombard Odier's extensive expertise in regional credit, the fund provides investors with strategic exposure to Asia's resilient fixed-income markets. The market response to this targeted strategy has been strong, with the fund successfully accumulating RM706 million in AUM.

Looking ahead, we actively review our product pipeline to meet the evolving needs of our clients. Additionally, we will actively seek to expand our suite of global products with top-tier asset managers to secure a robust, long-term pipeline of globally diversified funds.

Expansion of Distribution Networks

Beyond product innovation, driving AUM growth requires a robust and highly effective distribution architecture. In FY2026, we made deliberate strides in widening our market reach by deepening our presence across both digital wealth platforms and institutional channels. Our key milestones in this space include:

Leveraging the growing preference for digital wealth management, we successfully integrated the Hong Leong Global Equity Fund and Hong Leong Money Market Fund into the iFAST platform. This strategic placement provides investors with frictionless, on-demand access to our funds through a leading digital portal.

We systematically widened our institutional distribution network by expanding the array of funds available through our Institutional Unit Trust Adviser ("IUTA") partners. Notably, we successfully onboarded our newly launched Hong Leong Global Equity Fund onto the platform of Phillip Mutual Berhad, allowing us to effectively tap into their established investor base.

We also saw significant traction within our Direct Sales channel, which recorded a solid 20% y-o-y growth, adding RM1.69 billion to close the financial year with an AUM of RM10.25 billion. This robust performance was largely supported by a diversified external corporate client base channeling healthy inflows into our Money Market and Fixed Income funds.

Scaling our distribution infrastructure remains a top priority. We are actively evaluating potential new IUTA partners in the coming financial year. By integrating our investment solutions into a wider array of wealth management ecosystems, we aim to further increase our distribution footprint and unlock new avenues for sustainable AUM growth.

Industry Recognition and Award-Winning Performance

Our approach to a disciplined investment philosophy and active portfolio management continues to garner prestigious industry accolades. In FY2026, HLAM's ability to generate consistent, long-term value for our investors were once again validated at the highly coveted LSEG Lipper Fund Awards Malaysia 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Hong Leong Dividend Fund, successfully clinched the title for "Best Equity Malaysia Income – Malaysia Provident Fund Over 10 years." for the fourth time. This enduring track record clearly demonstrates our ability to deliver sustainable income generation and capital preservation, solidifying the trust our clients place in us to safeguard and grow their wealth over the long term.

Source: The Edge Malaysia

BEYOND AUTOMATION

In FY2026, the Group accelerated its digital transformation through, a structured multi-phase initiative designed to embed cognitive technologies into core risk management, compliance, and operational workflows across HLIB and HLAM. Moving beyond workplace productivity tools, the Group is systematically building an institutional knowledge architecture that preserves domain expertise, strengthens governance, and enhances analytical precision.

At the centre of this transformation is the deployment of our multi-agent orchestration platform that coordinates a suite of specialised artificial intelligence ("AI") agents working alongside human professionals across credit risk assessment, market risk analytics, business continuity planning, regulatory compliance, and sustainability analysis. Each agent is purpose-built for its domain, from credit intelligence and flood-risk assessment to operational risk monitoring and stress-test execution, enabling the Group to deploy AI capabilities with domain-specific rigour rather than generic automation.

The deployment has materially compressed execution timelines for critical risk processes. Bank-wide stress testing across multiple macroeconomic scenarios, previously a multi-day exercise, is now completed within hours, significantly sharpening the Group's responsiveness to emerging market risks and regulatory requirements. Daily risk reporting, limit monitoring, and compliance checks are increasingly automated, freeing senior professionals to focus on judgement-intensive analysis, client advisory, and strategic decision-making.

The Group operates its AI deployment under a comprehensive governance framework anchored in three principles: human accountability, model transparency, and regulatory compliance. All AI agents operate under human-in-the-loop oversight, with decision-making authority, fiduciary accountability, and regulatory responsibility retained by qualified professionals. The Group's AI Policy establishes standards for model validation, data privacy, bias monitoring, and cybersecurity, aligned with Bank Negara Malaysia's Risk in Technology ("RMiT") framework and industry best practices for responsible AI.

Looking ahead, the Group will continue to expand its suite of specialised AI agents across additional business divisions, deepen integration with regulatory reporting workflows, and invest in ongoing model validation and governance capabilities.

OUTLOOK FOR HLCB

The global macroeconomic outlook for the second half of 2026 is expected to remain complex, shaped by prolonged geopolitical tensions, shifting international trade policies, and monetary policy adjustments by major central banks. While Malaysia's export-oriented economy is exposed to these global headwinds, the nation is well-positioned to demonstrate resilience. Bank Negara Malaysia forecasted our national GDP growth of between 4.0% and 5.0% for 2026, driven by solid economic fundamentals. This positive outlook driven by sustained AI-driven technological demand, stable commodity markets, and Malaysia's position as a net energy exporter.

In alignment with this economic stability, the Malaysian capital markets are poised for sustained momentum. Guided by the Securities Commission's Capital Market Masterplan 2026-2030, the industry will undergo structural reforms designed to deepen market liquidity, accelerate the adoption of digital assets, broaden sustainable finance frameworks and solidify Malaysia's status as a global hub for Islamic capital market innovation. These structural enhancements, combined with capital allocations into high-impact sectors like AI, semiconductors and healthcare, will continue to drive active deal flows across corporate advisory, debt and Sukuk issuances and primary equity offerings.

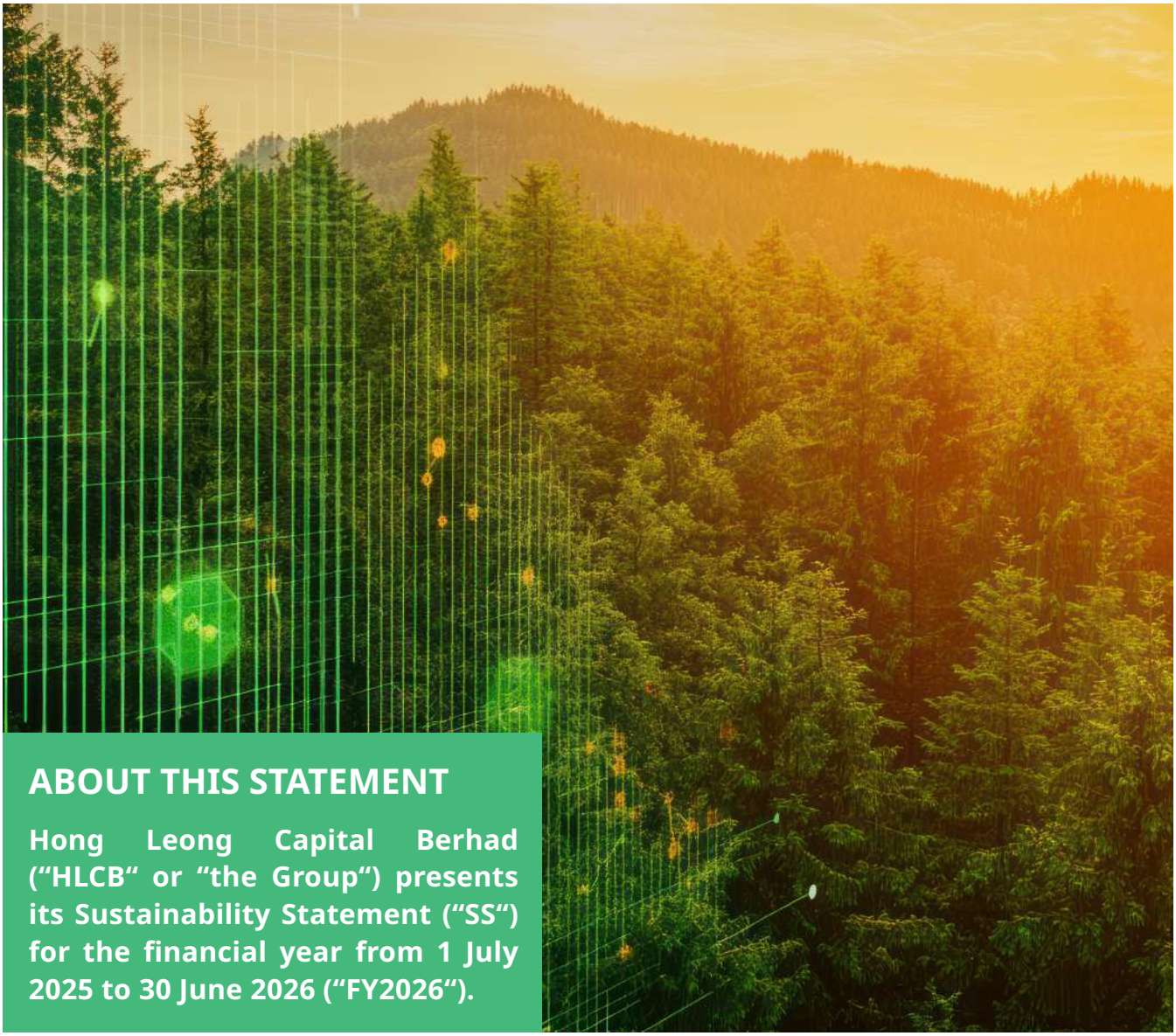
HLCB enters the new financial year supported by strong business fundamentals, underpinned by a robust capital position and a prudent risk management framework. Guided by our strategic imperatives, HLCB is focused on sharpening its competitive edge to capture emerging opportunities as we expand product offerings, establish new partnerships and accelerate digital capabilities. By maintaining strict cost discipline and continuously fortifying our risk governance, the Group is equipped to navigate external volatilities and sustain long-term value creation.

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") presents its Sustainability Statement ("SS") for the financial year from 1 July 2025 to 30 June 2026 ("FY2026").

REPORTING STRUCTURE

This SS comprises four main sections:

Sections	Pages	Content
Introduction	28-32	Introductory disclosures aligned with key International Financial Reporting Standards ("IFRS") S1 requirements which outline the technical considerations in preparing the overall SS.
General Sustainability Statement	33-72	Sections that outline HLCB's management approach and performance of material sustainability matter identified via the Group's refreshed Double Materiality Assessment ("DMA").
International Sustainability Standards Board ("ISSB") Statement	73-102	Inaugural disclosures based on requirements outlined in the IFRS S2 standards.
Appendix	103-123	Includes our methodologies, performance data tables, sustainability standards indexes and assurance statements.

SUSTAINABILITY STATEMENT

PART A INTRODUCTION

BASIS OF PREPARATION

HLCB continues to improve its sustainability disclosures in line with evolving regulations. This FY2026 SS has been prepared with guidance from the IFRS Sustainability Disclosure Standards ("IFRS SDS") S1 and S2 as issued by the ISSB, in line with Bursa Malaysia's Main Market Listing Requirements ("Main Market Listing Requirements") and the National Sustainability Reporting Framework ("NSRF"). A statement of assurance is included on pages 116-122 of this SS. For its initial year of reporting, HLCB has adopted a climate-first approach and is applying the transition reliefs set out in the IFRS SDS, NSRF and Main Market Listing Requirements, as follows:

- Disclosures are limited to climate-related risks and opportunities; other financially material topics are planned for future periods and are included in Part B of this SS.
- As FY2026 represents HLCB's first year of IFRS S2-aligned climate reporting, certain comparative disclosures have not been presented where the applicable transition reliefs have been applied.
- Reporting focuses on principal business segments in line with NSRF, incorporating value chain data where readily available.

This SS also considers disclosure topics from the Sustainability Accounting Standards Board ("SASB"). Please refer to page 36 for how the SASB standards were integrated into our refreshed DMA process and page 114 for our SASB index. This SS has also been prepared in alignment with the following standards:

- Bursa Malaysia's Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative ("GRI") Universal Standards 2021
- Climate Risk Management and Scenario Analysis ("CRMSA")

The FY2026 SS should be read in conjunction with the Group's consolidated financial statements which are prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and the requirements of the Companies Act 2016 in Malaysia. The presentation currency of the sustainability-related financial disclosures is Ringgit Malaysia ("RM"), which aligns to the presentation currency used in the consolidated financial statements.

The Group has currently established specific time horizons—defined as short-term (1 to 3 years), medium-term (4 to 10 years), and long-term (greater than 10 years)—only for selected sustainability-related risks and opportunities.

Time Horizons

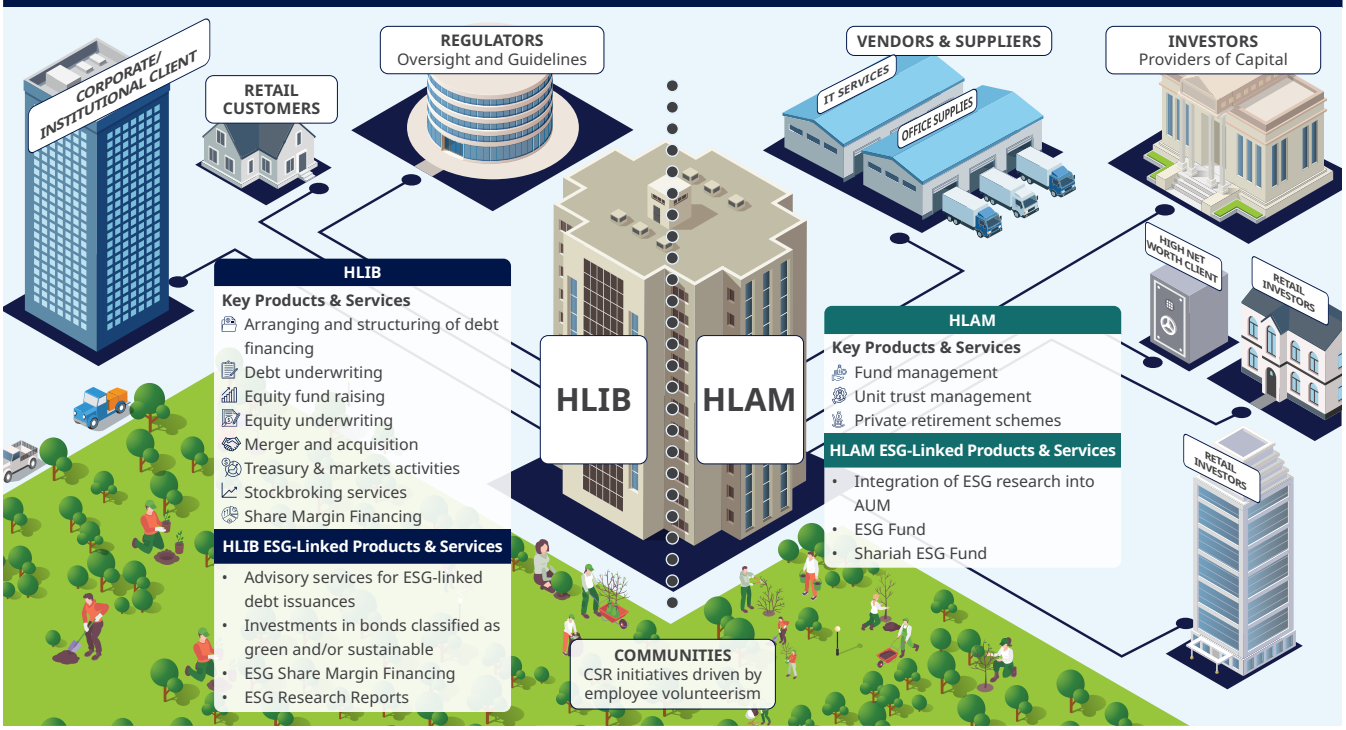
- ST Short-term (1 to 3 years)
- MT Medium-term (4 to 10 years)
- LT Long-term (greater than 10 years)

As FY2026 marks the first year of our IFRS S2 reporting journey, as well as our first time undertaking a financial materiality assessment as part of our refreshed overall double materiality approach, fully integrating the medium-term and long-term time horizons with our standard operational and business planning cycles remains a challenge. Consequently, for the moment, these two time horizons are not fully aligned with our business planning cycles. Moving forward, we will actively work to enhance our processes to ensure these sustainability time horizons are closely linked to our strategic decision-making.

HLCB, headquartered at Menara Hong Leong, Kuala Lumpur, is the investment holding company for the investment banking and asset management business group under Hong Leong Financial Group. The infographic below outlines HLCB's value chain. For more detail on our business activities and value chain, refer to pages 4-5.

SUSTAINABILITY STATEMENT

HLCB Value Chain



REPORTING BOUNDARY

This SS covers the same entities as our consolidated financial statements: HLCB and its core subsidiaries Hong Leong Investment Bank Berhad ("HLIB"), Hong Leong Asset Management Bhd ("HLAM"), and its wholly owned subsidiary Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM"). These disclosures cover both our internal operations and value chain. There were no changes to the Group's organisational structure during this reporting period.

Reporting Boundaries (Excluding Greenhouse Gas Emissions)

The entities, assets and operations covered in this SS are the same as those in HLCB's financial statements for the year ended 30 June 2026. The table below summarises our reporting boundary:

Entities Included Within the Reporting Boundary
Hong Leong Capital Berhad and all its subsidiaries including: • Hong Leong Investment Bank Berhad and its subsidiaries • Hong Leong Asset Management Bhd and its subsidiary Hong Leong Islamic Asset Management Sdn Bhd
Relevant Note in Financial Statements
Note 12 in the financial statements on page 195.
Information Considered and Included
Unless otherwise specified, 100% of sustainability information has been considered and included. Where transition reliefs or proportionality mechanisms apply, this is noted in the relevant section.

Note 1: HLG Securities Sdn Bhd has been under Members' Voluntary Liquidation since 2017 and no longer generates separate operational or sustainability impacts. Its historical stockbroking, investment banking, and online trading functions have been fully absorbed and are now operated by its sister company, HLIB.
Note 2: HLCB Assets Sdn Bhd, HLIB Nominees (Tempatan) Sdn Bhd and HLIB Nominees (Asing) Sdn Bhd share resources within the Group and do not have any separate physical operations or employees.

SUSTAINABILITY STATEMENT

PART A INTRODUCTION

The Group's value chain also includes activities, resources and relationships that were considered in assessing its sustainability-related risks and opportunities. In this reporting period, all metrics reported—except for specific greenhouse gas ("GHG") emissions—relate to the Group's own operations.

Reporting Boundaries for GHG Emissions

HLCB measures and quantifies its GHG emissions using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ("GHG Protocol"), unless otherwise required by IFRS S2. The Group also uses the GHG Protocol Corporate Value Chain Standard 2011 ("Scope 3 Standard") to define the fifteen Scope 3 categories required for Scope 3 GHG emissions disclosure.

A FY2025 GHG materiality review identified Categories 1, 3, 6, 7 and 15 as HLCB's material Scope 3 categories. This SS discloses Categories 6, 7 and 15. Using the IFRS S2 proportionality mechanism, the Group is developing the data and expertise needed to disclose Categories 1 and 3 in future statements.

Organisational Boundaries	Operational Boundary	Justifications
GHG emissions in this SS cover HLCB and its subsidiaries HLIB, HLAM and HLISAM. As HLISAM's GHG emissions are significantly smaller than those of its parent company HLAM, they have been deemed non-material to be disclosed separately. Both HLAM's and HLISAM's GHG data has been consolidated.	The following GHG emissions are reported for all entities: • Scope 1 direct GHG emissions • Scope 2 GHG emissions from the generation of purchased electricity • Scope 3 Category 6, 7 and 15 indirect emissions	The Group uses the operational control approach to measure its GHG emissions, as it best reflects emissions from its assets and operations.

JUDGEMENTS AND MEASUREMENTS OF UNCERTAINTY

Preparing this SS required management judgement in the areas outlined below. The SS also includes estimates for amounts that cannot be measured directly—for example, where sustainability information relates to a value chain entity, involves forward-looking information, or is constrained by data limitations.

Significant Judgements	Reference page
Financial Materiality Process	73-74
GHG Quantification	83
Climate Scenario Analysis	81

Measurement Uncertainty	Reference page
GHG-related Metrics	83
Climate Scenario Analysis	81

SUSTAINABILITY STATEMENT

BOARD APPROVAL AND EXTERNAL ASSURANCE

This SS was prepared with input and guidance from the Sustainability Steering Committee ("SSC"), reviewed by the Board Audit and Risk Management Committee ("BARMC"), and approved by the Board of Directors ("Board"). External assurance was provided by Bureau Veritas (M) Sdn Bhd; their assurance statement is included on pages 116-122 of this document.

MEMBERSHIPS AND ASSOCIATIONS

- 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

Climate-Positive Memberships and Associations

JC3 Joint Committee on Climate Change

HLCB is a member of the Joint Committee on Climate Change ("JC3") and collaborates with other industry players to develop practical tools for 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 GHG emissions from their loans and investments.

Supporting Public Policy and Regulations on Climate Disclosure

Corporate climate reporting in Malaysia is anchored by the NSRF, established by the Securities Commission ("SC"), which mandates a phased adoption of the IFRS S1 and S2 Standards. Financial institutions also follow sector-specific climate risk and classification guidelines established by Bank Negara Malaysia ("BNM"). To support this national transition, the industry-led JC3, in partnership with professional advisory firms, developed an NSRF guidance document for the financial services industry. In 2026, HLIB contributed to this guidance document in three key areas:

HLIB's Contribution to the NSRF Guidance Document

- **Provided financial contributions to the development of the document**
- **Participated in the development of the document as an observer**
- **Provided feedback for iterations of the document leading up to the final publication**

SUSTAINABILITY STATEMENT

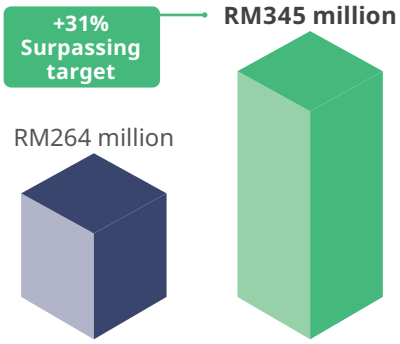
PART A INTRODUCTION

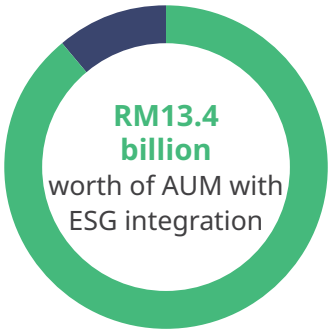
HLCB's **FTSE4Good ESG rating** achieved a monumental increase between FY2025 and FY2026, **increasing from a 2-star rating to a 4-star rating**, the highest tier achievable in the FTSE Russell ESG Score.

SUSTAINABILITY HIGHLIGHTS

HLCB's Sustainable Investments and Services

RM345 million worth of HLIB's investments classified as sustainable and green bonds, surpassing our FY2026 target of **RM264 million** by **31%.**





RM13.4 billion worth of AUM with ESG integration, reaching **89%** of HLAM's total AUM.

- AUM with ESG Integration
- AUM without ESG Integration

RM12.9 million total cumulative facility limit approval for HLIB's ESG Share Margin Financing portfolio, recording a **130%** growth compared to FY2025.

RM23.5 million worth of combined AUM for HLAM's two ESG themed funds in FY2026, representing a **91%** increase compared to FY2025.

240% ↑
increase in ESG themed engagements with HLIB's corporate and institutional clients[1].

59% ↑
of engagements with HLIB's retail clients[1] included sustainable investing elements.

1 *Representative of HLIB Stockbroking division's clients.*

FY2026 Key Progress Aligned to HLCB's Sustainability Framework

Impactful Digitalisation

Artificial Intelligence ("AI") integration drove productivity gains, saving more than an estimated **16,000** man-hours annually.

Addressing Climate Change

Scope 1 & 2 emissions **reduced by 30%** vs. FY2019 baseline to 532 tCO_2e, surpassing short term targets.

Strengthening Internal Capabilities

Average training hours grew by 34% Y-o-Y and **women comprise 54% of the workforce**, reflecting progress on gender parity.

Engaging on Sustainability

CSR initiatives drove a **21% rise in employee volunteer hours** and a 10% increase in beneficiaries, **benefitting >1,100 individuals.**

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

SUSTAINABILITY FRAMEWORK

Our HLCB Sustainability Framework guides how we embed sustainable practices across the Group and support Malaysia's wider sustainable development agenda. The framework is built on rigorous materiality assessments, translated into four strategic pillars that shape targeted initiatives for lasting impact on our business, the environment and the communities we serve, while supporting the transition to a low-carbon economy. In FY2026, we conducted a DMA, the outcomes of which have been woven into a refreshed set of material topics within our Sustainability Framework.

IMPACTFUL DIGITALISATION
Leveraging digitalisation to create positive impacts for ourselves and our stakeholders.

ADDRESSING CLIMATE CHANGE
Managing climate-related risks and leveraging climate-related opportunities in tandem with stakeholders' expectations.

STRENGTHENING INTERNAL CAPABILITIES
Enhancing our governance and strengthening our capabilities and systems to deliver on our sustainability agenda.

ENGAGING ON SUSTAINABILITY
We actively engage with our stakeholders, encouraging them to embrace sustainability.

STAKEHOLDER ENGAGEMENT

By maintaining ongoing communication with our key stakeholders, we understand the needs of those who influence or are affected by our business. This dialogue provides insights that inform our sustainability priorities and keep our strategic planning aligned with our goals.

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

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

Stakeholder Engagement (Continued)

Stakeholder	Engagement Channels	Areas of Interest
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	• Social media • Corporate website • Media announcements	• Transparency • Strategic communication
Associations	• Meetings • Corporate events • Online correspondences	• Industry stewardship • Regulatory compliance

Note: Media was removed following a thorough review of key stakeholders during our FY2026 DMA process.

Sustainability and Climate-Driven Stakeholder Engagements

We purposefully incorporate sustainability and climate considerations into our customer interactions to advance the adoption of sustainable investment and financing solutions across Malaysia. HLIB's Client Coverage team conducted 7 pitches with sustainable elements in FY2026, covering Green Bonds and Sukuk, as well as Sustainability-linked Bonds and Sukuk, as part of ongoing efforts to help clients better understand and explore financing options.

Additionally, at HLIB's Stockbroking division, 59% of engagements with retail clients included sustainable investing elements. This represents a significant increase compared to 38% in FY2025. With this achievement, HLIB's Stockbroking team surpassed their FY2026 target of achieving a sustainable investment engagement rate of 50%.

>50% engagements with retail clients include ESG elements.

Our Debt Markets ("DM") division supported companies in raising capital for Environmental, Social and Governance ("ESG") 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 mandates completed by DM, please refer to page 100.

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. Additionally, HLAM established a Proxy Voting Policy in FY2026. For more information, refer to page 98. HLAM also conducted 3 engagements that includes ESG and climate-related matters with companies in its portfolio.

SUSTAINABILITY STATEMENT

DOUBLE MATERIALITY ASSESSMENT

In FY2026, HLCB carried out a DMA that considered both financial materiality—how external sustainability-related factors could affect the Group—and impact materiality—how the Group's activities affect people and the environment. The DMA draws on our established risk management protocols and will sharpen how we steer strategy and decision-making towards growth that balances commercial performance with lasting value for society and the environment. The assessment followed four stages:

HLCB's FY2026 Double Materiality Assessment Process

1 Identification

We identified our material topics by considering both inside-out and outside-in impacts, assessed qualitatively for likelihood and potential impact using our existing operational risk rating matrix.

2 Prioritisation

Internal and external stakeholders were engaged through an online survey, in which respondents weighted stakeholder groups and ranked each material topic by importance.

3 Assess Materiality

Workshops with internal stakeholders—including Senior Management, BARMC, and Board members—evaluated and ranked both impact and financial materiality. For impact materiality, we distinguished actual from potential, and positive from negative impacts against severity and likelihood thresholds. Financial risks and opportunities were assessed in parallel against quantitative thresholds for magnitude and likelihood, with the results consolidated into a double materiality matrix.

4 Consolidation & Validation

Our consolidated DMA matrix was presented to and approved by the HLCB SSC, BARMC and Board.

For each material topic, our DMA allowed us to identify and prioritise sustainability-related risks and opportunities that could reasonably be expected to affect HLCB's prospects, as well as influence decisions made by primary users of general purpose financial reports. To prioritise our sustainability and climate-related risks and opportunities, we leveraged the pre-existing methodologies and thresholds specifically used for operational risk. This approach ensures consistency when assessing and prioritising our SROs alongside our standard operational risk factors.

The risks and opportunities identified drew on our understanding of the Group's operations and value chain, together with peer benchmarking to surface relevant topics. The Group also considered whether our key resources, business relationships and interdependencies with stakeholders across the value chain were exposed to sustainability-related risks, or gave rise to opportunities that could affect our ability to generate cash flows. Additional internal and external sources consulted included the following:

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

HLCB's DMA Inputs and Parameters

- Quantitative financial impact thresholds set out in our existing operational risk methodologies
- Group-wide workshops and collaborative engagements with HLFG's subsidiaries
- Educational materials from the IFRS Foundation related to IFRS S1 and IFRS S2
- Disclosure topics outlined in SASB[1] standards related to our business
- Qualitative feedback received from our online survey and physical workshops
- Feedback and guidance provided by external 3rd-party experts

1 The SASB standards that were referenced were from the Investment Banking & Brokerage and the Asset Management & Custody Activities standards.

Scenario analysis was not used to identify our sustainability-related risks and opportunities during this assessment; instead, it was applied solely to assess the impact of climate-related risks on our portfolios. This targeted use is consistent with the proportionality mechanisms available under the IFRS SDS, as the Group is still building the internal expertise, capability and resources needed to extend scenario analysis into our materiality process.

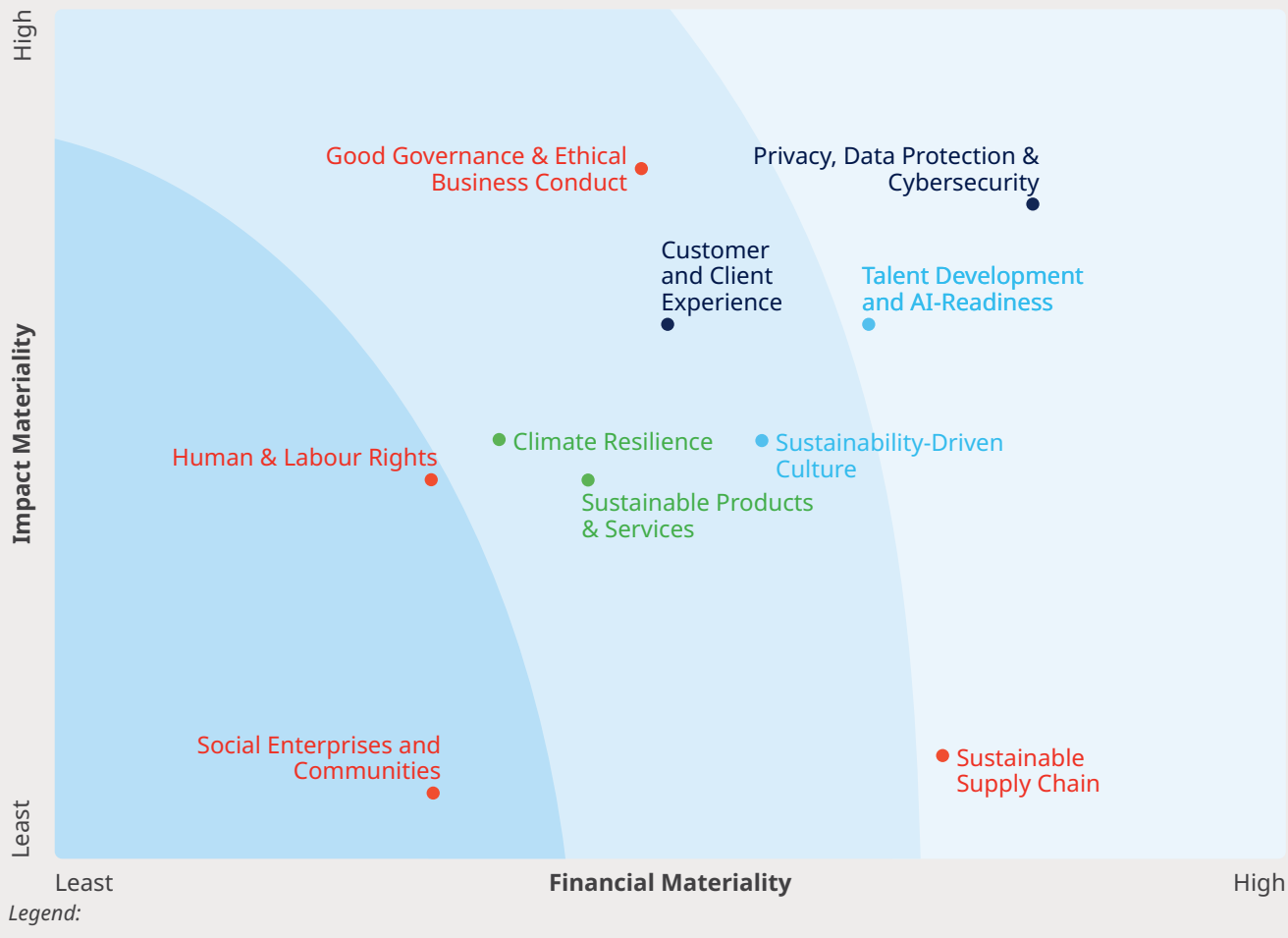
Additionally, Senior Management applied significant judgement in identifying the specific risks and opportunities under each material topic and in estimating their likely financial effects. Quantitative values were used to estimate these effects, but as this is the Group's first exercise of this kind, the resulting figures carry a high degree of measurement uncertainty, and expert judgement was needed to establish the underlying assumptions.

Following the DMA, HLCB has consolidated its material topics from 17 to 10, which are now integrated into our Sustainability Framework. We identified 15 sustainability-related risks and 12 sustainability-related opportunities across these 10 material topics, informed by extensive engagement with the Board and Senior Management. During these discussions, the topic originally framed as Talent Attraction, Development & Retention was refined to Talent Development and AI-Readiness, reflecting the growing importance of AI and emerging technology skills to our workforce. Sustainability-Driven Culture was plotted in our DMA matrix as the 10th topic from an initial of nine topics, following discussions on its importance among our Senior Management members during the final validation session with the SSC. Our final DMA matrix has been endorsed by HLCB's BARMC and Board.

Top 5 matters from internal stakeholder surveys	Top 5 matters from external stakeholder surveys
Privacy, Data Protection & Cybersecurity	Privacy, Data Protection & Cybersecurity *tied at top spot with* Good Governance & Ethical Business Conduct
Human & Labour Rights	Climate Resilience *tied in second spot with* Customer and Client Experience
Good Governance & Ethical Business Conduct	Human & Labour Rights *tied in third spot with* Sustainable Products & Services
Customer and Client Experience	
Talent Development and AI-Readiness	

SUSTAINABILITY STATEMENT

HLCB'S DOUBLE MATERIALITY MATRIX



Legend:

● *Addressing Climate Change* ● *Engaging on Sustainability* ● *Impactful Digitalisation* ● *Strengthening Internal Capabilities*

The matrix above sets out the final, approved outcome of our DMA and offers a clear view of the ESG topics that matter most to our business and stakeholders. By assessing each topic against both Financial Materiality—the outside-in effect on our enterprise value and Impact Materiality—our inside-out effect on society and the environment, we have organised our strategic focus into distinct tiers to guide sustainable value creation. Key observations include:

Key Observations from HLCB's FY2026 DMA Matrix

Digital Trust and Internal Capabilities as Core Priorities

Privacy, Data Protection & Cybersecurity remains our most material issue, shaped by the evolving digital landscape and regulatory requirements such as BNM's Risk Management in Technology ("RMiT") framework. To maintain digital trust, we are simultaneously prioritising **Talent Development, AI-Readiness**, and **Customer and Client Experience**, ensuring our workforce is equipped to deliver secure, innovative, and seamless financial services.

Managing Operational Risk via a Sustainable Supply Chain

A notable finding in this year's assessment is the high financial materiality attributed to a **Sustainable Supply Chain**. Given our reliance on third-party IT and technology vendors, value chain disruptions pose material risks to operational continuity. We manage risk through rigorous vendor selection processes and robust sustainable procurement frameworks.

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

Balancing Climate Action and Governance

Climate Resilience and **Sustainable Products & Services** sit at the centre of our matrix. As our principal climate impact and financial exposure arise from financed emissions and investments, we are building climate scenario analysis into our risk frameworks and scaling up transition financing. These efforts are supported by our commitment to **Good Governance and Ethical Business Conduct**, which upholds high standards of integrity across our operations.

Community Value and Inclusion

Social Enterprises and Communities sits towards the lower-left of this year's matrix, reflecting its more limited direct effect on financial solvency, though it remains integral to our corporate responsibility and values. We continue to seek meaningful ways to support local social enterprises and champion financial inclusion, recognising that a resilient community strengthens the wider economic ecosystem in which we operate.

SUSTAINABILITY GOVERNANCE

Sustainability Governance Structure

The HLCB Board and BARMC holds ultimate responsibility for the Group's sustainability strategy, ensuring it is integrated into corporate planning and supported by adequate resources. Following the DMA, the Board will progressively incorporate sustainability risks and opportunities ("SROs") into its strategic reviews and risk management processes with advice from the Enterprise Sustainability Unit ("ESU"), to align with the Group's business model, stakeholder expectations, and Net Zero commitments.

The SSC supports the Board and BARMC by monitoring group-wide sustainability performance. The ESU provides regular ESG performance metrics updates to the SSC and BARMC. Following the FY2026 DMA, the ESU successfully transitioned existing metrics to the new SROs framework, establishing a solid basis for future management reporting.

SUSTAINABILITY STATEMENT

Roles	Key Responsibilities
Board and BARMC	• Oversight of sustainability, including climate-related matters within HLCB Group. • Ensuring sustainability is embedded across the organisation with adequate resources in place to address sustainability matters. • To review and approve all quantitative and qualitative sustainability targets, ensuring they align with the long-term strategic objectives and capital allocation, including the approval of any significant revisions.
SSC	Advising and making recommendations to the respective BARMC for: • Sustainability-linked business strategies. • Adoption of sustainability-linked policies or initiatives. • Material sustainability matters. • Annual sustainability disclosures. Reviewing and endorsing: • Sustainability-linked business strategies. • Adoption of all sustainability-linked policies or initiatives. • Material sustainability matters. • Annual sustainability disclosures. Overseeing and monitoring: • Implementation of sustainability-linked strategies, policies or initiatives as well as its effectiveness. • Management of stakeholder engagements. • Management of processes to ensure compliance with the relevant sustainability-linked policies or guidelines.
Sustainability Working Committee ("SWC")	Develop, recommend and update: • Plans, targets, milestones, timeline and deliverables to the SSC. • Progress and outcomes of sustainability-linked initiatives to the SSC. Oversee and monitor: • Progress and milestones of sustainability-linked initiatives. Involved in: • Implementation of sustainability-linked initiatives. • Delivering quantitative and qualitative sustainability targets within respective timeframes. • Gathering input on sustainability-linked matters from each department. • Identification of material sustainability matters and manage materiality assessment processes. • Address and resolve issues that may arise.
ESU	• Develop, propose and review sustainability frameworks, strategies, projects, and initiatives for SSC, with support from the SWC. • To present any proposed sustainability targets to the SSC for endorsement and subsequently to present to BARMC and Board for approval. • Develop Scope 1, Scope 2 and Scope 3 decarbonisation strategies for the Group. • Provide technical expertise and guidance on sustainability-related matters to the Board, BARMC, SSC and SWC. • Develop and update sustainability policies and procedures. • Facilitate communication and coordination among different departments on sustainability initiatives. • Monitor and report the progress of the Net Zero Transition Plan ("NZTP") and decarbonisation strategies for the Group to Board, BARMC, SSC.

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

Roles	Key Responsibilities
CIA Unit	• Develop and drive sustainability risk-related policies, procedures and risk management tools to manage sustainability risks, including climate-related risks effectively. • Implement processes to actively identify, measure, assess, monitor, review and report sustainability risks within the organisation. These processes will include assessing climate-related risks through the use of climate-related scenario analysis. • Establish and periodically review the criteria for prioritising climate-related risks and broader sustainability risks. • Integrate the sustainability-related risk management process, encompassing climate-related risks, into the overall risk management process.

Reflecting our evolving sustainability agenda, we strengthened our governance framework in FY2026. The updated structure provides a firmer foundation for addressing sustainability-related financial risks and opportunities. A key change has been the renaming and refinement of our specialist units: the former Climate, Financing and Independent Credit Review unit is now the CIA Unit, alongside a more clearly defined ESU.

These updates to our sustainability governance roles and responsibilities support the progressive integration of IFRS S1 and S2 considerations into our core operating processes, enabling more effective identification, measurement and management of sustainability and climate-related risks. They also embed sustainability strategy and risk management more deeply within our organisational decision-making, bringing greater clarity and accountability to our reporting and long-term strategic alignment.

Integrating ESG Considerations into Our Investment Processes

We have robust governing committees tasked with embedding ESG into investment processes across the Group

HLCB's SSC

SSC's key role includes the approval of all investments in green and sustainable bonds within Treasury and Market's ("T&M") portfolios and monitoring the yearly target of a 10% increase

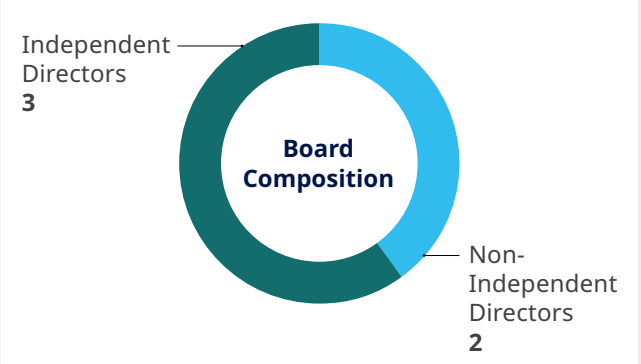
HLAM's Investment Committee ("IC")

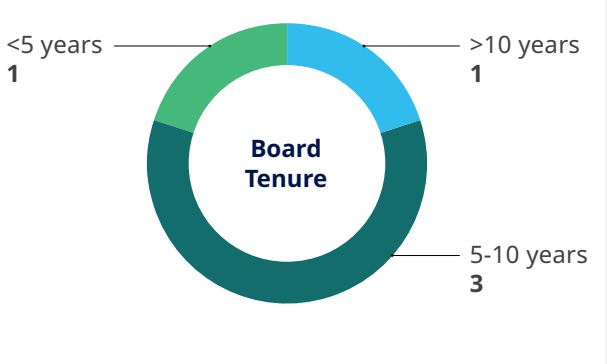
The IC reviews and approves HLAM's investment policies. To date, HLAM has taken progressive steps in embedding ESG considerations in its Equity Investment Policy

Board Composition

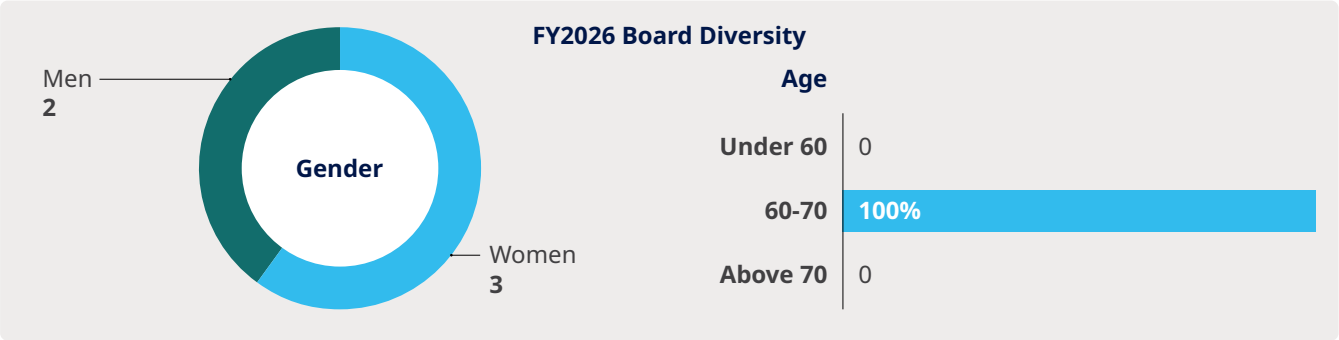
Our Board's composition reflects diversity of perspective, independence and robust oversight. Independent directors make up 60% of the Board, reinforcing the objectivity of our decision-making and our commitment to high governance standards. The Board's balanced mix of experience supports both continuity of strategy and the integration of fresh perspectives needed to meet our sustainability objectives.

FY2026 Board Composition and Tenure





Gender diversity remains a priority, with women representing 60% of our Board, contributing a broad range of expertise and leadership styles. Geographically, 80% of our directors are Malaysian, primarily aged over 60, offering strong regional insight and leadership maturity.



BOARD AND SENIOR MANAGEMENT SUSTAINABILITY EXPERIENCE, KEY PERFORMANCE INDICATOR ("KPI") AND REMUNERATION

The Board maintains that a balanced mix of skills and expertise is essential to effectively oversee the Group's material matters and by extension the sustainability-related risks and opportunities. Through annual competency evaluations, the Board confirms its ability to integrate relevant sustainability considerations into HLCB's business, while ensuring management remains well-equipped to execute the Group's sustainability strategy.

Skills, experience and expertise	Examples of skills, experience and expertise	Relevance to the Group	Number of Directors
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).	Crucial for guiding the Group's NZTP, overseeing ESG integration, and managing greenwashing and physical/ transition climate risks.	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.	Vital for ensuring robust internal controls, regulatory compliance, and managing enterprise-wide transversal risks.	5

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

Skills, experience and expertise	Examples of skills, experience and expertise	Relevance to the Group	Number 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.	Critical for overseeing the Group's impactful digitalisation, data privacy, and cyber resilience strategies.	5
Financial Acumen	• Possesses good understanding of financial statements of large corporations and businesses, including the ability to assess financial-related risk controls.	Necessary for evaluating the financial effects of sustainability risks/ opportunities and overseeing sustainable capital allocation.	5
Leadership	• Has held a CEO and/or Senior Management position in a listed company, large and/or complex organisation or government body.	Essential for driving organisational success and aligning employees with the Group's long-term sustainability goals.	5
Legal and Regulatory Requirements	• Possesses experience navigating legal frameworks and regulatory compliance.	Ensures the Group safely navigates the evolving regulatory landscape and climate-related reporting mandates.	5
International Business Experience	• Possesses experience operating within international business environments.	Provides regional insight and leadership maturity useful for the Group's broader market perspectives.	3

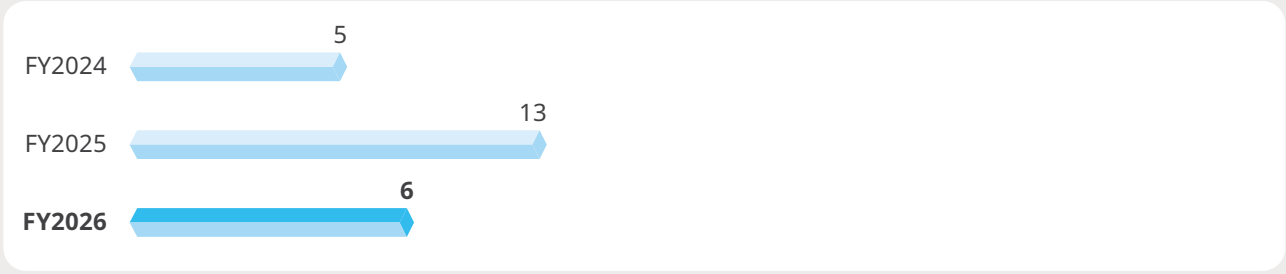
The Nomination and Remuneration Committee ("NRC") oversees the Group's remuneration framework, ensuring rewards are closely aligned with individual performance. To drive accountability to our sustainability objectives, ESG Key Result Areas ("KRAs") have been built into variable remuneration across all levels of the organisation. The table below sets out how sustainability objectives feed into performance assessment and outcomes.

Key Individuals/Groups	Sustainability Integration into Remuneration
Board	ESG factors are directly included in the Board's annual assessment. This helps to actively gauge and strengthen their collective readiness and performance on sustainability matters.
Key Senior Executives (including the Group Managing Director ("GMD") of HLIB and the Chief Executive Officer ("CEO") of HLAM)	10% of their KRAs are explicitly linked to sustainability. This ensures that the variable remuneration and performance evaluations of top leadership are tied directly to the successful execution of the Group's sustainability strategies.
All Other Employees	Sustainability-related KRAs account for 5% of performance evaluations for all other employees across the Group, ensuring that a sustainability-driven mindset and accountability are embedded organisation-wide.

Board and Senior Management Sustainability Training and Engagements

As HLCB's highest governing body, the Board oversees sustainability-related risks and opportunities. Cumulatively, the Board members attended 26 unique training sessions throughout FY2026, of which 6 are sustainability-related.

Total HLCB Sustainability-related Board Training Sessions



Key Board Training Sessions and Topics

- AI Use and Governance
- Cybersecurity and Data Privacy
- Anti-money Laundering and Anti-Bribery
- Sustainability and Climate Risk
- Governance and Compliance
- Tax and Finance

We maintain proactive internal 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 an effective engagement loop and keeps all relevant sustainability governing bodies informed on sustainability matters. In FY2026, the BARMC and SSC were engaged in a total of 9 meetings collectively to discuss key sustainability topics.

Type of Meeting	Frequency of Meetings in FY2026	Key Sustainability Topics Discussed
BARMC Meetings: Engagements with Board-level members on general sustainability-topics and climate-related topics	4 meetings	**General Sustainability Matters** • CRMSA gap analysis • ESG ratings gap analysis and improvements in scoring • HLCB DMA endorsement - *held in early FY2027* • Quarterly sustainability performance updates, including performance of sustainability-linked portfolios **Climate-Specific Matters** • Scope 1 and scope 2 Net Zero compliance strategy • NZTP Version 2.0 • Establishment of an internal financed emissions methodology paper
SSC Meetings: Engagements with our Senior Management by our ESU team	5 meetings	**General Sustainability Matters** • FY2026 Corporate Social Responsibility ("CSR") strategy • HLCB DMA discussion and validation • Quarterly sustainability performance updates, including performance of sustainability-linked portfolios **Climate-Specific Matters** • Scope 1 and scope 2 Net Zero compliance strategy • NZTP Version 2.0 • Establishment of an internal financed emissions methodology paper • Introduction to nature-related financial risks and opportunities

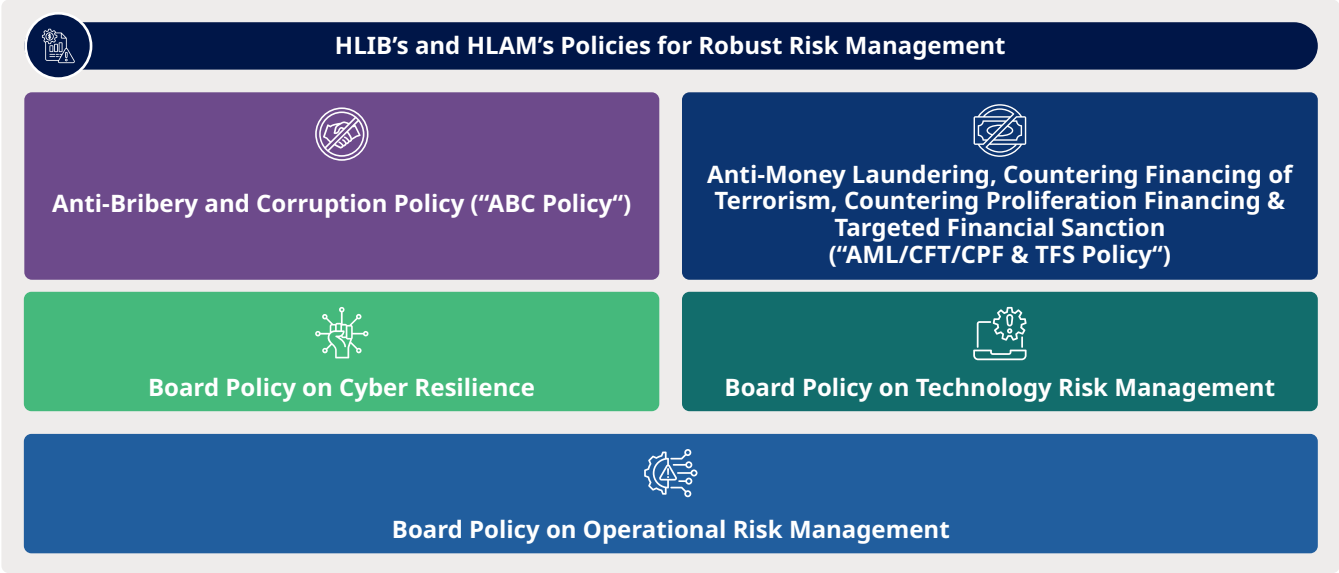
SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

SUSTAINABLE RISK MANAGEMENT

At HLCB, sustainable business practices rest on a foundation of robust risk management. Our systematic, top-down approach—overseen by the Board and BARMC, and led by our Chief Risk Officer—allows us to identify and manage emerging risks while supporting regulatory compliance and organisational resilience. By aligning our Risk Management Framework with BASEL standards and applying comprehensive policies, we build ongoing awareness that strengthens our controls and protects stakeholder value.



As sustainability risks grow more complex, HLCB is building these considerations into our core risk management framework to support long-term resilience and value. By embedding sustainability-linked principles across our Group-wide policies, we are streamlining how ESG factors are incorporated into day-to-day 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

Complementing these broader policies, the Board Policy on Sustainability Risk ("BPSR") sets out how sustainability risks are managed within HLIB, ensuring the environmental and social ("E&S") impacts of our portfolio are properly addressed. The BPSR covers the classification of high-risk sectors, the use of scenario analysis aligned with BNM's requirements, and the E&S rating framework. In parallel, HLAM's Equity Investment Policy and HLISAM's Shariah-Compliant Equity Investment Policies form the basis for how ESG considerations are integrated into HLAM's and HLISAM's investment practices.

Three Lines of Defence

HLIB applies the three lines of defence model to support rigorous risk management. This framework sets out clear accountability and ownership across the organisation, with Business Units, the Risk Management Department and the Internal Audit Department acting as the first, second and third lines of defence respectively.

Business Units	Risk Management Department	Internal Audit
Led by the respective Heads of Departments	Led by Chief Risk Officer*	Led by Head of Internal Audit*

First Line of Defence

Conduct due diligence on customers prior to onboarding and conduct continuous due diligence during annual review.

Second Line of Defence

- 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.

Third Line of Defence

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 Risk Assessments

We have embedded ESG criteria into our client risk profiling, supplementing traditional financial evaluations with a more holistic perspective. HLIB has formalised a systematic framework to identify and mitigate sustainability risks across its lending, underwriting, and bond investment portfolios. This approach uses both exclusion and sustainability integration, with specific exclusion criteria applied during the initial client screening phase.

HLIB's Exclusionary List

- Fishing activities using drift nets or explosives
- 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 deforestation, commercial sex trade, illegal drug trade)

HLIB adopts a sustainability integration approach through an internally developed 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 clients' sustainability performance. Conducted during customer due diligence, the assessment yields both a CCPT classification and an internal E&S rating.

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Our Approach to Sustainability

The E&S checklist evaluates clients' inherent risks and mitigation strategies, supporting informed decision-making 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 page 80.

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

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 97.

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 HLIB 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 aspects, and E&S ratings, as well as CCPT classifications.

Impactful Digitalisation

STRATEGIC AI INTEGRATION

Artificial Intelligence ("AI") drives operational efficiency, strengthens security frameworks, and improves client experiences across modern banking. HLCB is now building its own AI integration capability. Our approach goes beyond simple process automation, focusing instead on deploying AI where specialist skills are hardest to find, turning mid-tier resource constraints into a structural advantage that lets a leaner workforce operate with specialist-level support.

In FY2026, we set up the AI Centre of Excellence ("AI CoE") as a central hub to standardise, govern and accelerate responsible AI adoption across HLIB and HLAM. Acting as a single point of expertise and oversight, the AI CoE prevents adoption from becoming fragmented and ensures that every deployment adheres to the Group's data privacy and cybersecurity standards, together with regulatory requirements such as BNM's RMiT policy and the SC guidelines.

The AI CoE operates as a cross-functional collaboration spanning multiple stakeholders:

Risk Management Department
The primary beneficiary and co-developer of the agentic AI platform

ESU
Provides the framework to quantify financed emissions

IT Department
Provides infrastructure, cloud governance, and cybersecurity frameworks

External Consultants
Working closely with a specialist AI technology partner

Workforce at Large
Trained on responsible AI usage to build AI literacy and mitigate risks associated with unsupervised or "shadow" AI adoption

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Impactful Digitalisation

The centrepiece of the AI CoE's work is an agentic AI platform—a multi-agent system built specifically for financial services risk management. At the heart of the multi-agent system is HLCB's lead AI orchestrator.

Rather than summarising documents like a conventional chatbot, the lead AI orchestrator connects directly to live engines and internal policy repositories, producing traceable, auditable output in real-time.

The Value Proposition for HLCB's AI Integration Project

Responsible AI Adoption
Centralised governance prevents "shadow AI" with strict protocols for privacy, model risk, and ethics.

Workforce Augmentation
Automates manual data tasks, allowing professionals to focus on high-value credit assessments and strategic decision-making.

Sustainability Integration
Enables climate risk analytics, carbon metrics, and ESG screening to support Group sustainability commitments.

Operational Efficiency
Automates routine reporting, reducing manual coordination turnaround from days to minutes.

Predictive Risk Governance
Shifts from reactive reporting to continuous, AI-enabled surveillance for sharper predictive capabilities.

Elimination of Data Silos
Integrates fragmented data—files, policies, market feeds—into a single, cohesive, searchable analytical layer.

Regulatory Alignment
Embeds compliance checks for BNM RMiT, SC, and IFRS S1/S2 standards directly into agent workflows.

In FY2026, we recorded tangible success from our **AI integration** project, which has enabled us to improve productivity by creating an estimated operational efficiency gain of more than **16,000 man-hour savings** a year.

Looking ahead, a five-phase roadmap sets out how AI will generate incremental revenue, or revenue-equivalent value, across Investment Banking business units between July 2026 and June 2028. Building on the operational foundation already established, the next phase moves from deploying existing agents for quick wins and automating high-volume workflows, such as know your customer ("KYC") and prospectus drafting, to developing a shared data layer that enables cross-business unit intelligence. The final phase advances into opportunity identification and embeds AI into business-as-usual operations through institutional memory and full revenue attribution.

SUSTAINABILITY STATEMENT

PRIVACY, DATA PROTECTION & CYBERSECURITY

Why It Matters

Privacy, data protection and cybersecurity sit at the centre of HLCB's institutional trust. Handling sensitive corporate data and investor portfolios means safeguarding this information properly is not optional—it keeps us aligned with BNM and SC standards, and protects the Group from financial and reputational harm.

Our Approach

Privacy, Data Protection and Cybersecurity is our most material sustainability topic from an impact and financial perspective. We have taken the first steps in aligning our disclosures for this topic with the IFRS S1 standard. A summary of the resulting impact appears in the table below. The time horizons mapped to each impact serve as a guide to how HLCB gauges the current and anticipated scale of these effects.

Risk

Insufficient security measures may lead to the compromise of customer information, resulting in a loss of customer confidence as well as significant financial and regulatory consequences.

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Business • Financial loss from business continuity disruption and regulatory fines • Loss of market share from a decline in customer trust • Higher cost of keeping cyber-resilience continuously up to date	ST MT LT	Robust cyber-resilience governance mechanisms and timely policies on AI management. For more information, please refer to pages 50-51.

Opportunity

Robust cybersecurity practices strengthen internal defences and enhance external security awareness, reducing risk exposure and positioning HLCB as a trusted cybersecurity leader

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Business • Better customer experience, trust and satisfaction arising from digital products with strong data protection • Improved market share driven by increased brand trust	ST MT LT	Balancing cyber-resilience with impactful digitalisation. Key metrics for customer complaints and platform growth are tracked and reported. For more information, please refer to page 52.

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Impactful Digitalisation

Trade-Offs

Risk	Opportunity
Insufficient security measures may lead to the compromise of customer information, resulting in a loss of customer confidence as well as significant financial and regulatory consequences.	Robust cybersecurity practices strengthen internal defences and enhance external security awareness, reducing risk exposure and positioning HLCB as a trusted cybersecurity leader.

Expected Trade-Offs: Operational Efficiency vs. Security Rigour

To maintain a robust cybersecurity posture, HLCB must balance the immediate operational friction and higher costs associated with implementing stringent data protection protocols and regular audits against the long-term benefit of safeguarding institutional trust and avoiding the catastrophic costs of data breaches and regulatory non-compliance.

Strategic Action

Balancing Digitalisation and Cybersecurity

Our cybersecurity strategy is supported by a robust governance framework aligned with stringent regulatory standards. By phasing in new digital technologies, we proactively mitigate security risks while reducing operational friction and optimising resource allocation. Refer to page 48 for an example of our phased approach in AI integration.

Maintaining privacy, data protection and cybersecurity has been a key lever of our business strategy. Built on a solid governance base, the Group makes incremental changes as needed to keep cyber-resilience intact over the long run. Initiatives to strengthen this area draw on a mix of internal funding for training and the expertise already available within the organisation.

The Group's cybersecurity framework institutionalises continuous risk identification, threat detection, regular audits, and timely incident response. We also maintain robust IT and data protection policies, complying with all statutory and regulatory standards, including the Financial Services Act ("FSA"), the Personal Data Protection Act ("PDPA"), and guidelines from BNM and the SC.

As digital threats evolve rapidly, our decision-making proactively addresses the risks associated with new technologies. HLIB's Artificial Intelligence & Machine Learning ("AI and ML") Management Policy ensures responsible development and use of AI and ML technologies, aligns with 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. Additionally, HLIB's AI and ML initiatives comply with SC's Guidelines on Technology Risk Management Document ("GTRM") and BNM's RMiT.

The November 2025 revision of BNM's RMiT policy raises operational resilience and cyber defence standards across the industry. By removing the previous institutional size classifications, the policy applies rigorous cybersecurity protocols uniformly across the sector. Key strategic priorities include adopting zero-trust architecture, strengthening supply chain security through Software Bill of Materials ("SBOM") integration, and deploying real-time behavioural fraud detection.

In response to the updated RMiT policy, HLIB has initiated a gap analysis to ascertain the state of HLIB's internal controls and compliance with the new and revised rules and regulations. This cross-functional effort involves collaboration across key departments, including IT, IT Risk, Procurement, and HLeBroking. Upon completion, the findings and action plans will be presented to the RMC and HLIB's Board Risk Management Committee ("BRMC"). This framework helps mitigate security risks and safeguards customer information against potential financial and regulatory impacts. The new BNM RMiT does not apply to HLAM, which is governed instead by the SC's GTRM, with which it complies.

Our Performance

Safeguarding privacy, data protection and cybersecurity remains a core priority for HLCB. From a financial impact perspective, short-term impacts include annual expenditure on ensuring the resilience of internal cybersecurity infrastructure and improving internal subject matter expertise through external training courses. HLCB also regularly organises internal employee engagement and training. In FY2026, these initiatives included cyber comics, awareness campaigns on emerging cyber threats, phishing simulations and dedicated cybersecurity training.

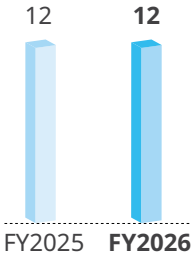
SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

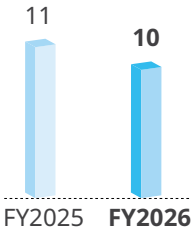
Impactful Digitalisation

HLIB's Cybersecurity Training, Engagements and Incidents Detected

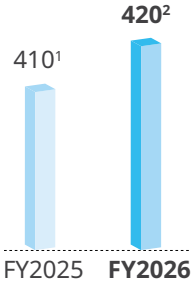
Number of Cyber Comics on Emerging Cyber Threats



Number of Phishing Email Simulation



Employee Cybersecurity Training

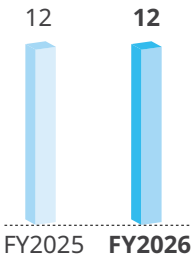


1 Data represents the average employees participating in two courses which were related to malware detection and Internet-of-Things.
2 Data represents the employees participating in one course related to cyber hygiene security awareness.

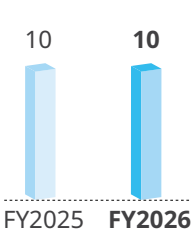
Metrics	FY2025	FY2026
Number of substantiated leaks, thefts, or losses of customer data	0	**0**
Number of substantiated cyber security breach	0	**1**

HLAM's Cybersecurity Training, Engagements and Incidents Detected

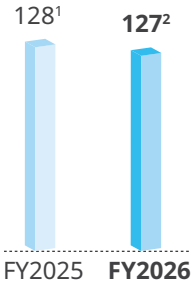
Number of Cyber Comics on Emerging Cyber Threats



Number of Phishing Email Simulation



Employee Cybersecurity Training



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2 Data represents the employees participating in one course related to cyber hygiene security awareness.

Metrics	FY2025	FY2026
Number of substantiated leaks, thefts, or losses of customer data	0	**0**
Number of substantiated cyber security breach	0	**0**

Following unverified security claims on 11 March 2026, HLIB proactively and temporarily suspended online trading to conduct rigorous forensic investigations, ensuring full regulatory compliance and system integrity. Independent reviews subsequently verified the complete security of all customer accounts and systems. This operational response was aligned with clarifications from Bursa Malaysia, confirming that broader exchange infrastructure remained unaffected and validating the efficacy of the entity's containment protocols. Despite this, the Group maintained its track record of zero substantiated leaks, thefts, or losses of customer data in FY2026.

SUSTAINABILITY STATEMENT

CUSTOMER AND CLIENT EXPERIENCE

Why It Matters

Digital transformation is essential for delivering a seamless, comprehensive client experience in today's fast-paced financial sector. Optimising our processes and improving digital accessibility boosts our operational agility and efficiency, while strengthening the trust and loyalty needed to meet our clients' changing needs.

Our Approach And Performance

Accessibility via Diverse Digital Services

Our digital services continue to evolve to meet diverse customer needs. For HLIB, this is exemplified by two main digital platforms, HLeBroking and HLeFutures, both focused on providing seamless, accessible, and user-centric experiences.

HLIB's Key Digital Platforms

HLeBroking	HLeFutures
An online equities trading platform that provides secure access to Bursa Malaysia and selected global markets.	A secure digital platform for derivatives trading.
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 Added 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 the electronic Initial Public Offering on the mobile and web platforms.	**Additional Features** — Offers access to the Hong Kong Exchanges and Clearing Limited ("HKEX") futures.
Recorded about **1.7 million** transactions, **61%** via mobile and 39% via internet.	**FY2026 Key Performance** — All our transactions are fully digital, with **66%** via mobile and **34%** via internet.

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Impactful Digitalisation

In FY2026, HLIB merged local and foreign trading into one single platform, the HLeBroking app. Customers and clients no longer need separate apps to manage their Bursa Malaysia and global portfolios. HLIB also introduced the electronic Initial Public Offering ("e-IPO") service on the HLeBroking platform, shifting the traditionally paper-heavy IPO application process into a digital journey and eliminating the need for physical forms, bank drafts, and manual processing. This digital-first approach reduces the Group's operational environmental footprint and resource consumption.

Beyond environmental gains, the e-IPO framework broadens market participation by letting retail investors manage and fund IPO applications securely and directly through HLeBroking. In FY2026, HLIB successfully facilitated subscriptions for 40 IPOs after the e-IPO service launch in November 2025.

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 FY2026, HLAM recorded positive growth across both platforms.

HLAM's Key Digital Platforms

HLAM iSmart Invest

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

HLAM Agency System

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

Value Added for Stakeholders

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.

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.

FY2026 Key Performance

15% growth in cumulative number of users and **82% increase** in no. of online retail transactions.

15% increase in cumulative number of agents registered on the platform.

Digital onboarding across the Group's platforms also continues to enhance customer experience and operational efficiency. HLIB has broadened its digital onboarding capabilities, notably by enabling seamless digital access to Shariah-compliant stock trading. HLAM's Client Onboarding System simplifies submissions and document management to enhance customer experience and operational productivity. The HLAM Agency System also provides digital onboarding for new Unit Trust and Private Retirement Scheme consultants ("UTC/PRC").

Digital onboarding rates across the Group improved in FY2026. HLIB recorded a digital onboarding rate of about 37% through HLeBroking and remisiers, cutting paper usage by 64kg. As for HLAM, the entity recorded a 36% digital onboarding rate via the HL iSmart Invest app. HLAM also digitally onboarded 122 new agents via the Agency system, marking a 230% increase compared to FY2025.

Meaningful Client Engagements

Promoting sustainable investment requires deep engagement. HLCB fosters meaningful connections across retail, corporate, and institutional segments to build interest in investing sustainably. In FY2026, HLIB delivered 459 corporate and institutional engagements, reinforcing client trust. Further details on these initiatives can be found on page 102 of our "Addressing Climate Change" chapter.

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 69 of the "Engaging on Sustainability" chapter.

In addition to these engagements, HLIB also launched a customer loyalty programme in FY2026. The programme allows retail investors to earn points for every Malaysian stock trade made through the HLeBroking online portal or mobile app. Points can be accumulated and redeemed for brokerage rebate vouchers to offset future trading costs. New and existing customers automatically earn points based on their brokerage spending whenever they trade Malaysian stocks.

HLAM conducts year-round campaigns to engage investors, strengthen brand visibility, and encourage investment via EPF i-Invest and HL iSmart Invest. In FY2026, these initiatives targeted new and existing investors.

HLAM's Key Engagement via Campaigns

Campaign	Value for Stakeholders
Hong Leong AM's 2025 Merdeka Quiz Contest	Promote national pride and create more awareness in social media.
Flag Up Your Finances Campaign	Promote financial awareness and regular savings habits through HLAM's core unit trust funds.
Hong Leong AM Blind Box Campaign	Incentivise cumulative investments through online portals like EPF i-Invest and HL iSmart Invest.
Hong Leong Global Equity Fund ("HLGEF") Launch Campaign	Official launch of the brand new HLGEF, offering diversified international market access.
Ready, Set, Invest Campaign	An online transaction campaign pushing investors to process a cumulative initial or additional investment of at least RM1,000 into participating HLAM funds using digital wealth platforms.
Gong Xi Raya, Duit Banyak Gaya Campaign	Providing rewards for customers who increase their participation in fund investments.
Hello, New Investor 2026 Campaign	Promotion dedicated specifically to capturing new, first-time retail account creators on the HLAM portal.

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Impactful Digitalisation

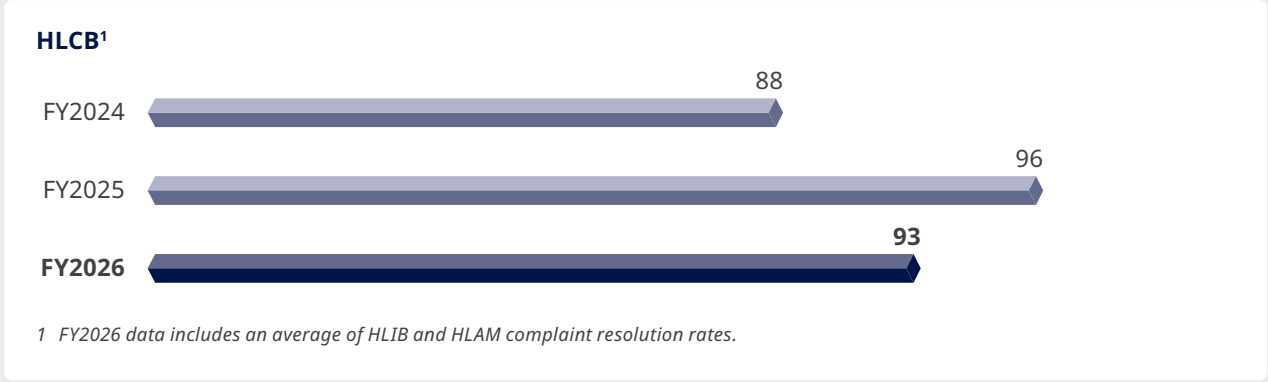
To enhance client engagement and service delivery, HLAM also invests in ongoing training for its agency force. In FY2026, HLAM conducted 32 training programmes for 1,310 participants, empowering them with the tools, insights, and capabilities needed to meet evolving client needs.

Managing Customer Complaints

We prioritise the effective management of customer complaints to ensure satisfaction and service quality. In FY2026, HLCB saw an increase in complaints compared to FY2025, mainly due to a rise in complaints in March 2026, following service interruptions when HLIB temporarily suspended online trading to conduct rigorous investigations following unverified security claims. Despite this, HLIB managed to record a complaint resolution rate of 88%. HLAM maintained a low and stable complaint volume across FY2024 to FY2026. Overall, HLCB managed to achieve an average complaint resolution rate of 93% in FY2026.

Entity	No. of Complaints Received (unit)		
	FY2024	FY2025	FY2026
HLIB	34	53	**248**
HLAM	3	2	**1**
HLCB	37	55	**249**

Complaint Resolution Rate (%)



1 FY2026 data includes an average of HLIB and HLAM complaint resolution rates.

Strengthening Internal Capabilities

TALENT DEVELOPMENT AND AI-READINESS

Why It Matters

Our people carry out HLCB's sustainability agenda in practice—through the skills they build, the fairness of their work environment, and the mindset behind their daily decisions. Amidst a landscape of rising AI adoption, we continue to strengthen our talent ecosystem and give employees opportunities for personal and professional growth.

Our Approach and Performance

Enhancing AI-Readiness

Our AI integration and readiness strategy is built around retaining institutional knowledge within the organisation, rather than with individual employees. By capturing and preserving collective expertise—ranging from past transactions and internal methodologies to regulatory interpretations—we ensure long-term operational continuity.

We are embedding AI readiness across the institution by pairing human talent with specialised AI counterparts. This integration, already underway in our risk management division, uses a digital workforce of credit, sustainability, and data analytics to support our teams. Central to this approach is our "human-in-the-loop" philosophy: while AI agents retrieve information and generate recommendations to enhance efficiency, every output requires human review and approval. This distinction is vital to our financial services operations, where accountability, regulatory compliance, and fiduciary responsibilities remain firmly with our people. For more information on our overall strategy to enhance AI readiness, please refer to page 47.

Following the establishment of the AI CoE in FY2026, the Innovation Lab was formed to drive cross-functional collaboration in identifying beneficial use cases for AI integration across the Group. This lab comprises AI Catalysts—leaders who champion AI integration across business units and build AI-readiness among employees.

Building AI-Readiness and Preserving Institutional Knowledge

We are embedding our institutional knowledge within the bank's digital architecture to ensure long-term continuity, while simultaneously elevating workforce AI-readiness through strategic human-AI collaboration.

The Innovation Lab was established to explore, design and evaluate AI and automatic solutions to enhance operational efficiency, strengthen risk management and promote cross-department collaboration.

21 catalysts across various departments **to build AI-readiness** and assist internal AI-adoption.

5 meetings held over FY2026 to facilitate adoption, review and improve safeguards.

SUSTAINABILITY STATEMENT

PART B GENERAL SUSTAINABILITY STATEMENT

Strengthening Internal Capabilities

Beyond the Innovation Lab, the Group internally ran 13 AI-related training sessions in FY2026, with some employees attending an additional 11 external AI-related training sessions. In total, 448 employees attended AI-related training sessions, with an average training hours per attendee of 6.4 hours.

Our FY2026 AI-related Training Performance

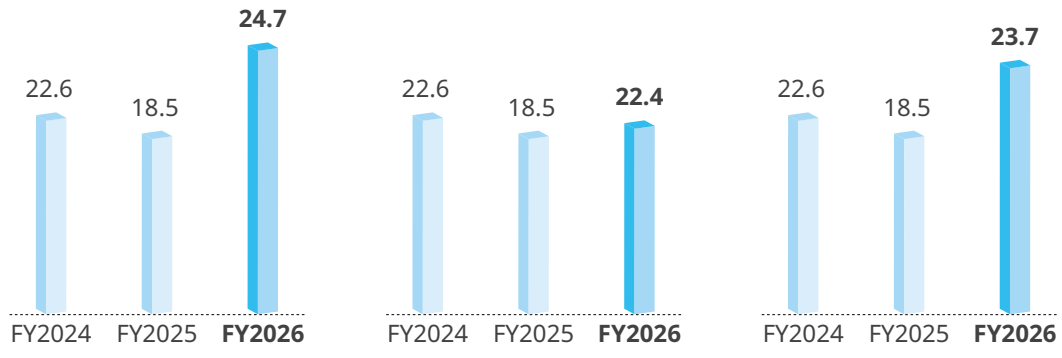
- 13 internal sessions
- 11 external sessions
- 448 employees participated
- 6.4 average training hours

Investing in Robust Training Programmes

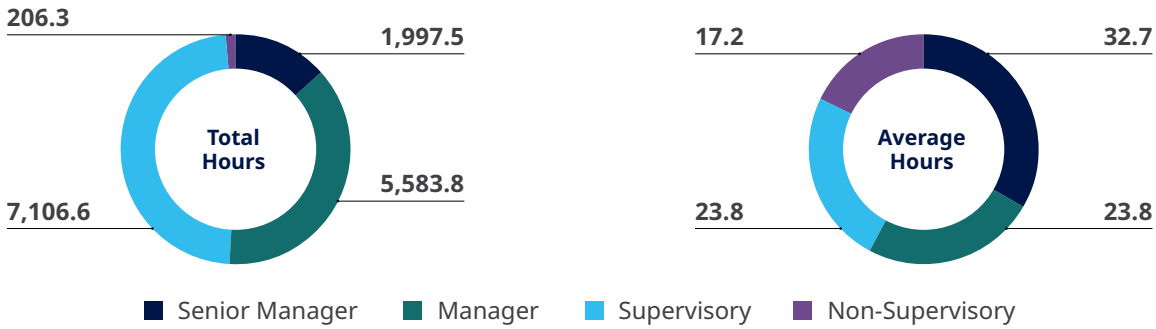
HLCB runs a wide range of training programmes throughout the year, covering areas of technical skills, leadership development, compliance and risk management, among others. In FY2026, the Group ran 164 training sessions, consisting of both in-house and external training, with 603 attendees recorded in total. This equates to 14,894.2 total hours of training, or an average of 24.7 hours per employee. Training courses in FY2026 covered topics about professional development, leadership, and governance areas such as cybersecurity, anti-bribery and more.

In FY2026, our overall **average training hours increased by about 34%** compared to FY2025.

Average Training Hours by Gender



Average Training Hours by Employee Category (FY2026)



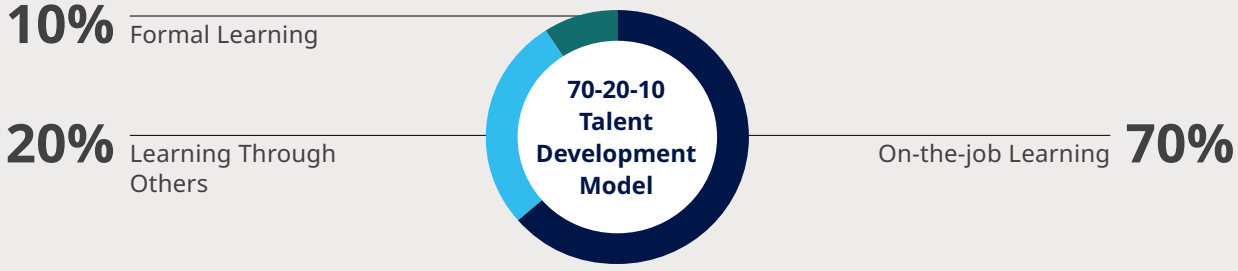
Leveraging our Competency Structure for Targeted Training

HLCB's competency structure supports its wider human capital efforts by identifying leaders, people managers and contributors within the workforce. This identification opens the door to specialised training and development programmes designed to build on each employee's potential.

Leaders	People Managers	Contributors
Sets the tone for organisational success by upholding functional excellence, encouraging the right traits, and guiding employees to work towards the Group's strategy and goals.	Strengthens business and operational capacity and keeps daily operations running smoothly, with a focus on quality, performance and effective people management.	Made up of technical managers and executives who apply expertise and creative thinking to spot opportunities, work through challenges, and shape sustainable business strategy.

Ensuring a Talent Pipeline

A strong talent pipeline is foundational to business resilience and continuity. HLCB uses its High Potential ("HiPo") initiative to identify and develop emerging talent. Candidates' professional development is assessed and supported through HLCB's 70-20-10 model, aimed at meeting agreed development goals. In FY2026, HLCB identified 47 high performers and 22 successors for critical roles.



HLCB's Graduate Trainee program in collaboration with SC aims to develop graduate talent for the capital markets industry. In FY2026, 10 graduate trainees across HLIB and HLAM joined and completed the six-month programme, gaining hands-on experience suited to their qualifications. Of these, 2 moved into permanent positions.

Fostering Two-Way Communication and Engagement

HLCB runs formal mid-term performance reviews to keep managers and employees aligned. These conversations surface skill gaps and inform the action plans that support talent development. In FY2026, all employees received a performance appraisal.

HLCB runs CSR initiatives each year to engage employees, build a collaborative working environment, and contribute positively to society and the environment. In FY2026, HLCB ran 7 CSR activities involving 89 volunteers, reaching more than 1,000 beneficiaries. For more information on our CSR activities, refer to pages 71-72.

SUSTAINABILITY STATEMENT

PART B GENERAL SUSTAINABILITY STATEMENT

Strengthening Internal Capabilities

DIVERSITY, INCLUSION AND WELLBEING

Why It Matters

HLCB champions a diverse and inclusive workplace free from discrimination. Beyond regulatory compliance, diversity helps us attract and retain high-calibre talent with varied backgrounds, experiences and perspectives, and supports better decision-making, productivity, innovation and engagement.

Our Approach and Performance

A Diverse, Inclusive and Nurturing Workforce

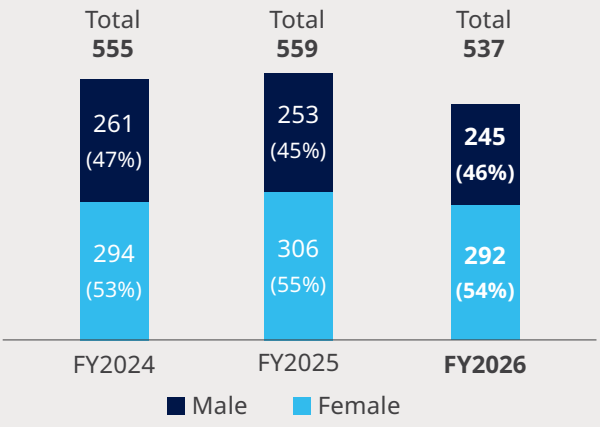
Women make up **54%** of the Group's total workforce, reflecting progress on gender parity.

HLCB treats diversity and inclusion as an equally important extension of human and labour rights. Its support for a diverse workforce, and its zero-tolerance stance against all forms of harassment, are set out formally in the Group-wide Business Code of Conduct and Ethics. Discrimination in any form—including but not limited to race, nationality, citizenship status, religion, gender, age and disability—is strictly prohibited. HLCB works to maintain a culture of mutual respect across all internal and external stakeholder interactions.

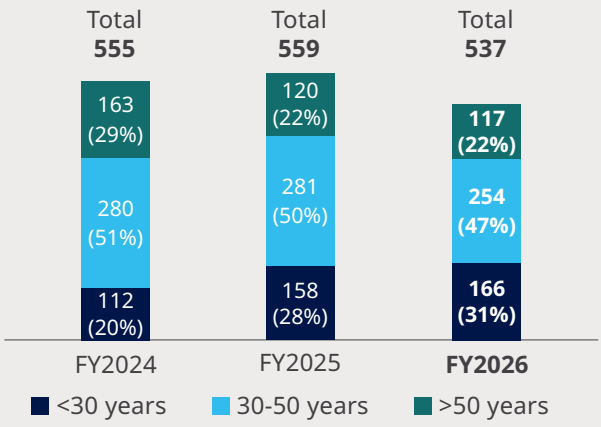
HLCB has taken steps to broaden diversity and reduce inequality and discrimination. The Human Resources department reviews its programmes and standard operating procedures regularly to maintain the Group's no-discrimination stance and a diverse workforce. This is reflected in the gradual equalisation of workforce composition across gender, age group and new hires.

HLCB prohibits all forms of unacceptable behaviour, including derogatory remarks, bullying and intimidation, as lapses in professional conduct can affect employee wellbeing and engagement. We implement a whistleblowing policy and grievance procedure to allow genuine instances of suspected improper conduct to be raised anonymously. In FY2026, HLCB received zero substantiated reports of harassment, discrimination, bullying, or human or labour rights violations. For further detail on our broader human and labour rights practices refer to page 67.

Employees by Gender

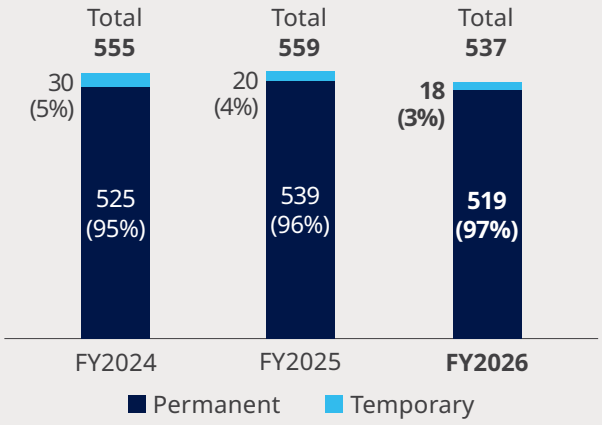


Employees by Age Group

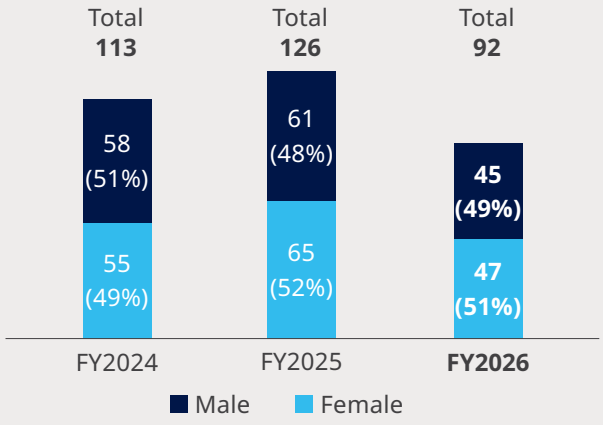


SUSTAINABILITY STATEMENT

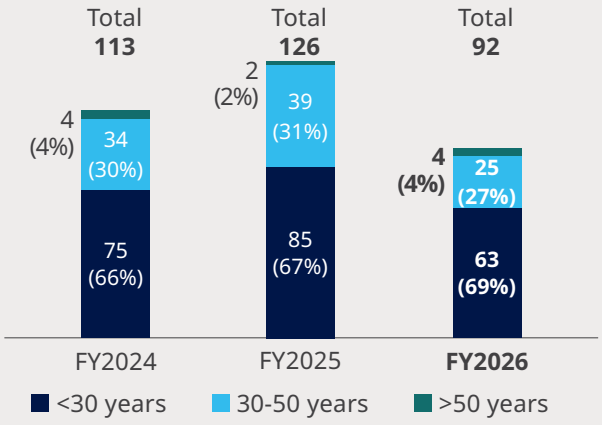
Permanent and Temporary Employees



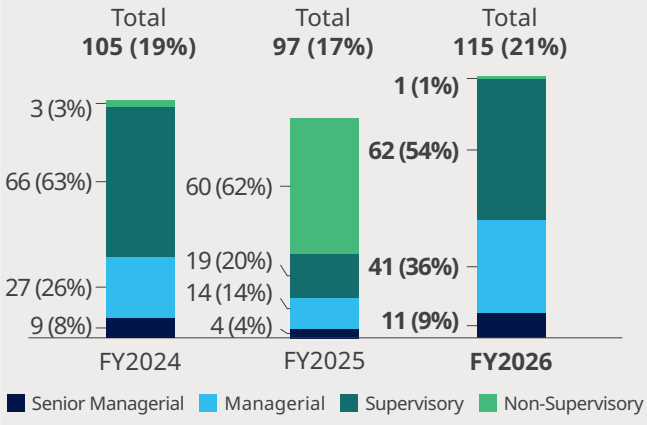
New Hires by Gender



New Hires by Age Group



Employee Attrition by Category



Note: Percentages may vary slightly owing to rounding.

Prioritising Health, Safety and Wellbeing

Employee health, safety and wellbeing are continuing drivers of business success, lifting productivity, morale and confidence. Investing properly in wellbeing and benefits raises job satisfaction, motivates employees and builds a stronger sense of purpose across the workforce. HLCB adheres closely to the Occupational Safety and Health Act 1994 by operating under the guidance of its Occupational Safety and Health ("OSH") Policy that is reviewed annually to ensure effectiveness. HLCB takes a precautionary approach through periodic risk assessments, documenting all incidents to reduce future OSH-related risk and support record-keeping. In FY2026, HLCB recorded zero work-related fatalities. Beyond routine review of protocols and procedures, HLCB runs emergency preparedness training, such as fire drills and other safety exercises, to prepare employees to respond effectively to emerging risks.

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

PART B GENERAL SUSTAINABILITY STATEMENT

Strengthening Internal Capabilities

Labour Standards

HLCB holds a clear labour standards policy, communicated to all employees in accessible language. The policy supports fair remuneration, including equal pay for equal work. HLCB addresses excessive working hours by complying with the Employment Act 1955, with official working hours under the stipulated maximum of 45 hours per week. Beyond adhering to Malaysia's statutory minimum wage of RM1,700 per month, set by the Minimum Wage Order 2024, HLCB is working towards providing a living wage for its employees. In FY2026, HLCB received zero substantiated complaints concerning human rights violations.

Extending Support to Families

HLCB's approach to safeguarding wellbeing reaches beyond its employees through the Hong Leong Group Scholarship Awards ("GSA"). The scholarship supports the educational goals of HLCB employees' children, easing financial pressure from pre-university through undergraduate study.

SUSTAINABILITY-DRIVEN CULTURE

Why It Matters

A genuine sustainability-driven culture gives HLCB's employees the mindset, knowledge and skills needed to support responsible workplace practices which helps build a more resilient business. Building awareness and encouraging active participation helps employees keep pace with shifting market expectations and regulatory requirements, while strengthening HLCB's standing as a responsible, future-focused corporate citizen.

Our Approach and Performance

Embedding Sustainability Across the Group

A strong sustainability-driven culture starts with sound governance. The SSC and SWC drive this work, enabling cross-functional collaboration and championing sustainability initiatives across the Group. Existing policies and procedures are reviewed on an ongoing basis, keeping HLCB aligned with best practice and responsive to emerging sustainability expectations.

Capacity Building for a Sustainability-Driven Culture

HLCB draws on existing partnerships and industry collaboration to build the Group's internal ESG advisory and financing expertise, supporting employees to attend sustainability-focused seminars, workshops and conferences. These opportunities sit alongside a series of in-house and external training programmes that build the workforce's capacity and knowledge, helping it stay ahead of sustainability trends and meet stakeholder expectations. In FY2026, 13 employees participated across 12 external sustainability-related training sessions for a total of 181.5 training hours, averaging 14 hours of sustainability-related training per employee.

Key Sustainability-Related Training Programmes

- **4** **training sessions on reporting and disclosure**
  - Implementation of GRI and ISSB Standards in sustainability reporting.
- **3** **training sessions on sustainability strategy**
  - Aligning business strategy with sustainability goals and requirements.
- **2** **training session on energy transition**
  - Enhance knowledge of renewable energy financing and discuss regional strategies for the energy transition.
- **2** **training sessions on sustainable finance**
  - Evaluating current state of sustainable and transition finance.
- **1** **training session on climate risk assessment**
  - Improving internal climate-related risk management and control measures.

Engaging on Sustainability

GOOD GOVERNANCE & ETHICAL BUSINESS CONDUCT

Why It Matters

Stringent governance and ethical standards protect our integrity, build stakeholder confidence, and reduce regulatory and reputational risk. Fairness, transparency and accountability in all decisions give us a solid foundation for sustainable business operations, and our comprehensive code of conduct helps ensure we operate ethically and within the law.

Our Approach and Performance

Compliance Culture

HLCB's Board and Senior Management oversee the management of compliance risk. The Senior Management develops and maintains the policies and controls needed for regulatory compliance, while the Compliance Department runs risk-based reviews of internal controls. In line with HLCB's Governing Documents Policy, all relevant departments review their policies and standard operating procedures—including the Code of Conduct and Ethics, and the ABC Policy—at least once a year to ensure alignment with regulatory updates and operational change.

All employees and Board members receive updated policy versions, which are also available on the Group's intranet. To reinforce adherence, employees submit an annual compliance declaration. In FY2026, all relevant policies and procedures were managed effectively, with no regulatory penalties recorded for the year, and no significant non-compliance with laws and regulations during the reporting period.

Resilience via Integrity

HLCB's Code of Conduct and Ethics sets out seven principles that every HLCB employee is expected to follow. Our policies are aligned closely with the Financial Services Professional Board ("FSPB"), regulatory standards set by BNM, the SC and Bursa Malaysia, and undergo periodic review to ensure ongoing effectiveness and alignment.

Anti-bribery and Corruption

HLCB maintains a strict zero-tolerance stance on bribery and corruption, supported by its ABC Policy. The Board oversees enforcement of the policy, while the Risk Management department runs periodic, comprehensive assessments of key corruption and bribery risk.

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

SUSTAINABILITY STATEMENT

PART B GENERAL SUSTAINABILITY STATEMENT

Engaging on Sustainability

Our ABC policy is designed to effectively mitigate corruption risks across the company by enforcing stringent standards across six key practice areas:

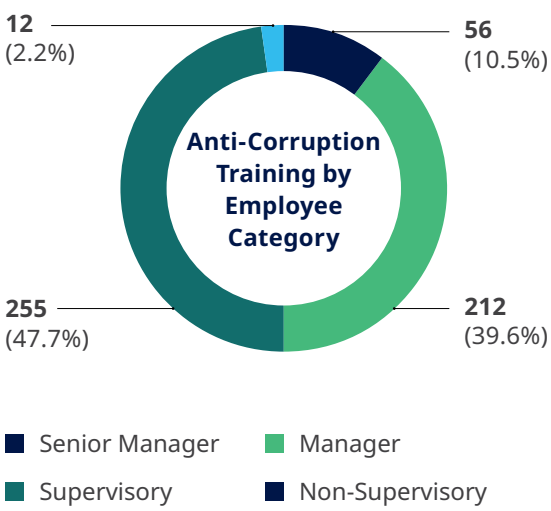
HLCB has communicated to third-party partners—contractors, vendors, suppliers, consultants, representatives, and any other persons associated with the Group—that they are expected to share the same standard on anti-bribery and anti-corruption. Our due diligence process screens all internal and external parties—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 to preemptively identify and mitigate potential corruption and money laundering-related risks. Employees are also encouraged to report any actual or suspected violations through HLCB's dedicated whistleblowing channel, set out in its Whistleblowing Policy.

ABC Risk Assessments & Culture	FY2024	FY2025	FY2026
Operations assessed for corruption related risks (%)*	100	100	**100**
Confirmed incidents of corruption and action taken (no.)	0	0	**0**

** Full corruption risk assessments run every two years under company policy. In years without a full assessment, HLCB runs a Risk & Control Self-Assessment ("RCSA") instead.*

To ensure all employees remain well-informed on the latest compliance standards, all staff must complete regular training, e-learning, and assessments on regulatory topics. This includes Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing & Targeted Financial Sanctions for Financial Institutions ("AML/CFT/CPF & TFS"), confidentiality, conflicts of interest, whistleblowing, licensing requirements, and business practices-related topics.

In FY2026, HLCB ran 13 internal Anti-Bribery and Anti-Corruption training sessions. Some employees attended 2 external Anti-Bribery and Anti-Corruption training sessions. In total, 535 employees were trained throughout FY2026. These sessions are supported by regular email bulletins and posters to keep employee awareness high.



Note: Anti-corruption training is scheduled for the calendar year, which may show a lower proportion of employees trained within the financial year than the actual figure.

Financial Crime and Fraud

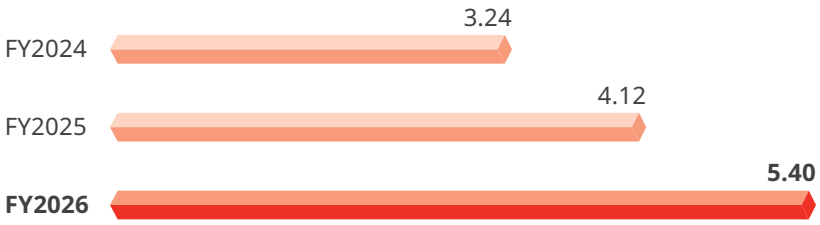
The risk of financial crime is ever-present, and HLCB has dedicated specialised expertise, processes and technologies to screen for and prevent emerging threats. Our management against financial crime and fraud is guided by the AML/CFT/CPF & TFS Policy, which is regularly updated to ensure full compliance with relevant regulations. AML/CFT/CPF & TFS-centric training programmes and assessments are routinely conducted as an added layer of risk mitigation. In FY2026, we conducted a total of 33 AML/CFT/CPF & TFS-related training sessions, with some employees attending 12 additional external training sessions. In total, 599 employees were trained.

AML/CFT/CPF & TFS Training

	FY2024	FY2025	FY2026
Total number of training sessions	57	50	**46**
Total employees trained	608	511	**599**

Total training hours

Average number of training hours per employee



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

Whistleblowing Policy and Procedures

To support operational integrity, HLCB encourages employees, associates and external stakeholders—including those providing services to or holding a business relationship with the Group to report misconduct, including fraud, theft, breach of trust, corruption, bribery and blackmail. These reports can be submitted anonymously through HLCB's dedicated whistleblowing channel, guided by its Whistleblowing Policy; those who report in good faith are protected from retaliation as far as the law and the policy allow.

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

SUSTAINABILITY STATEMENT

PART B **GENERAL SUSTAINABILITY STATEMENT**

Engaging on Sustainability

Fair Treatment of Financial Consumers

HLCB applies a customer-first approach built on fairness, transparency and respect. Clear terms, responsive support and responsible product design build loyalty, protect consumer interests, and reduce the risk of disputes—supporting long-term relationships and sustainable growth.

HLCB's Code of Conduct and Ethics, overseen by the Board, keeps the management of its portfolio and client interactions transparent, ethical and consistent. Thorough product information is provided so contracts reflect mutually agreed terms and clients can make informed decisions, and all marketing communications go through due diligence to check compliance with regulatory standards and adherence with responsible marketing practices before distribution.

To maintain high levels of employee competency and customer service, HLCB provides regular training for relevant employees and implements control measures like categorising Key Risk Areas and implementing 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 the New Products and Services Policy.

Key Principals of HLIB's New Products and Services Policy

Customer Experience

Value propositions of new products and services should be reviewed periodically to sharpen the customer experience.

Fair Banking

Fair, transparent terms apply to new business initiatives and to the design and implementation of products and services.

Sustainability

The design and delivery of products and services should work towards advancing sustainability principles.

Risk Considerations

Product and service evaluation and approval must weigh risk management to keep risk exposure acceptable and support enterprise value.

Regulatory Compliance

Evaluation and approval of products and services must comply with BNM's Introduction of New Products policy document and all other applicable regulation.

Continuous Reviews

Products and services are reviewed annually by the HLIB.

HUMAN & LABOUR RIGHTS

Why It Matters

Upholding human and labour rights creates a safe, inclusive workplace that safeguards employees' physical and mental wellbeing, boosting confidence and morale. This fosters loyalty and supports innovation, contributing to a resilient and sustainable business.

Our Approach and Performance

HLCB's initiatives on human and labour rights are guided by its Code of Conduct and Ethics. The Group works towards alignment with the United Nations Global Compact's Ten Principles and ensures hiring practices across the Group and its supply chain complies with local law. We ensure that our Code of Conduct and Ethics, and other relevant labour policies, are communicated to employees regularly to keep them informed of relevant changes.

Communication of human and labour rights also extends throughout HLCB's supply chain, as outlined in the HLIB Procurement Management Policy that also covers HLAM, emphasising human rights protection and fair employment practice in vendor selection. Vendors are required to complete due diligence assessments covering indicators such as human rights protection, prevention of child labour, and fair wages.

To build a safe, inclusive workplace, HLCB has put in place a grievance procedure and encourages employees to report any instance of actual or suspected violation for further investigation. In FY2026, there were zero reported incidents of harassment, bullying, discrimination, or labour and/or human rights violations.

SUSTAINABLE SUPPLY CHAIN

Why It Matters

Sustainable supply chains require close collaboration between partners, and present distinct challenges for financial services given the sector's growing reliance on outsourcing to specialised external providers. HLCB works to ensure its supply chain manages risks relating to data security, ethical conduct, sustainability and more.

Our Approach and Performance

HLCB relies on its policies and procedures to achieve sustainable procurement. The HLIB Outsourcing Management Policy and HLIB Procurement Management Policy set out frameworks for responsible decision-making, thorough due diligence, and continuous monitoring. Both policies also apply to HLAM's procurement practice, keeping treatment consistent across the Group. Embedding sustainability considerations further reduces risk and protects client interests.

SUSTAINABILITY STATEMENT

PART B GENERAL SUSTAINABILITY STATEMENT

Engaging on Sustainability

Policies and Procedures to Maintain Supply Chain Resilience

Outsourcing Management Policy

- Sets out responsible outsourcing decisions, mitigating potential outsourcing vulnerabilities
- Aligned with BNM regulation
- Applies comprehensive risk assessment to manage outsourcing risk
- Protects client privacy and data security
- Requires sustainability factors to be weighed when selecting outsourcing partners

Procurement Management Policy

- Checks procurement practice is conducted ethically, transparently and efficiently
- Covers vendor evaluation, due diligence and performance review
- Checks compliance with law, regulation and internal standards, supporting financial responsibility
- Requires sustainability due diligence, including assessment of human rights, fair labour practice and environmental performance of vendors

HLIB supports local Malaysian businesses as it believes local suppliers play a vital role in building a sustainable, reliable supply chain. As of FY2026, most of HLCB's suppliers and service providers are based locally, with 89% of HLCB's procurement directed to Malaysian suppliers. This marks a 4% decrease in local procurement compared to FY2025. Wherever possible, HLCB will select local suppliers and service providers that best fulfil its requirements.

HLCB Procurement Data	FY2024	FY2025	FY2026
Percentage of local supplier spend	90%	93%	**89%**

FINANCIAL INCLUSION & LITERACY

Why It Matters

Financial inclusion and literacy are core to HLCB's values. Improving both levels open up growth opportunities, enhances livelihoods, develops the next generation of talent, and helps stakeholders make sharper investment decisions—strengthening the resilience of the investment sector as a whole.

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	Stakeholders Impacted	Details	Outcome	Impact
BURSA Karnival Saham 2025	First-time retail investors and youths	Collaborated with Bursa Malaysia and University Tunku Abdul Rahman ("UTAR") to increase financial awareness and access to investment.	59 new accounts opened	Direct engagement with university students to increase awareness regarding financial instruments, trading and investments.
BIGWORLD 2025 at University Utara Malaysia ("UUM")	First-time retail investors and youths	Competition-based event in collaboration with UUM's Finance and Banking Society to promote financial literacy and encourage networking between academia and industry professionals.	22 new accounts opened	HLIB representatives shared insights regarding financial innovation, sustainable financing and ESG integration and more, equipping graduates for better employability.
Women's Choice Package 2026	New female investors	Annual campaign in celebration of International Women's Day for new individual female customers of HLIB.	114 female clients were onboarded	Expanding access for female investors and encouraging trading activities amongst them.
Booth at Launch of the National Investment Programme ("NIP")	New and existing investors from lower and middle-income groups	Participated as an exhibitor to empower Malaysians through investment education and increasing financial literacy.	50 new accounts opened	Improving the general public's understanding about financial instruments, lowering barriers to investing and trading.

Enhancing Financial Literacy Among Retail Investors

Event	Stakeholders Impacted	Details	Outcome	Impact
Series of Futures Trading Education Programme	Retail investors	Education programme in collaboration with CME Exchange and DA International Financial Services to highlight the importance of risk management.	40 attendees	The programme attracted attendees, serving to improve financial risk management skills and encourage smarter investing.
HLeBroking Webinar: Stay Constructive, Be Selective! Conducted in Mandarin	Retail investors seeking information in a more tailored medium	Webinar to provide actionable strategies and stock picks to navigate year-end volatility, focusing on identifying high-conviction opportunities in a fluctuating market.	150 attendees	Empowered investors to navigate volatility with analytical frameworks and stock picks, reducing emotional trading and promoting strategic investment decisions.

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

* *Figure represents the sum of new accounts opened and total attendees in FY2026.*

SUSTAINABILITY STATEMENT

PART B GENERAL SUSTAINABILITY STATEMENT

Engaging on Sustainability

As for HLAM, the entity conducts year-round campaigns and promotions. In FY2026, 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 55.

SOCIAL ENTERPRISES AND COMMUNITIES

Why It Matters

HLCB treats support for local communities and social enterprises as core to its purpose, helping to speed up socioeconomic development and strengthen community resilience. Through strategic partnerships, funding and targeted volunteering, HLCB supports change-makers delivering meaningful social and environmental impact. This work lifts workforce morale, strengthens stakeholder relationships and HLCB's reputation, and contributes to a more sustainable, inclusive future.

Our Approach and Performance

Our CSR Framework guides how we plan CSR initiatives each financial year, overseen by a dedicated CSR Core Committee that manages planning and resource allocation. This structure encourages employee volunteerism and collaboration with external partners, driving meaningful social and environmental impact.

HLCB's Sustainability Framework Pillars	Engaging on Sustainability	Strengthening Internal Capabilities	Impactful Digitalisation	Addressing Climate Change
	Aligns with			
HLCB's CSR Framework Pillars	**Corporate Responsibility**	**Supporting Entrepreneurship**	**Financial Literacy**	**Nature Preservation, Conservation and Restoration**
	Foster goodwill and strengthen relationships to promote social benefits and well-being	Improve community living standards by creating better livelihoods and business opportunities	Create better literacy opportunities to public	Protection of healthy ecosystems and biodiversity
Stakeholders that benefit	Underprivileged and marginalised communities, students, NGOs			NGOs, park management, research centre

SUSTAINABILITY STATEMENT

Mirroring Community Investment to our Business Strategy

Our CSR Framework consists of four pillars that mirror the Sustainability Framework and helps anchor our corporate social investments to our overarching business strategy of expanding regional market access. As long-term business resilience is closely linked to the economic vitality of the communities we serve, a key focus of our CSR initiatives is promoting financial inclusion and literacy. Since the establishment of our CSR Framework, the Group's CSR initiatives have reflected the business strategies we have pursued over the past financial year.

Improving Access to Financial Services

Business Strategy

HLIB expanded its physical footprint via new trading hubs in Kota Kinabalu in July 2025. This expansion brings the entity's services closer to clients covering all regions in Malaysia.

CSR Strategy

HLIB and HLAM conduct yearlong engagements with first time investors to improve financial literacy. For more information please refer to page 55 and page 69.

In FY2026, HLCB formalised its CSR Core Committee Terms of Reference, providing an operational guideline to plan and execute CSR programmes more effectively and transparently. This reflects HLCB's greater emphasis on building long-term collaborations for community empowerment, rather than one-off events, to maximise impact.

The Group's CSR investments increased by 126% compared to FY2025, while the number of beneficiaries impacted increased by 10%. Employee support for CSR initiatives held steady in FY2026, with 89 employees taking part while total volunteer hours increased by 21%.

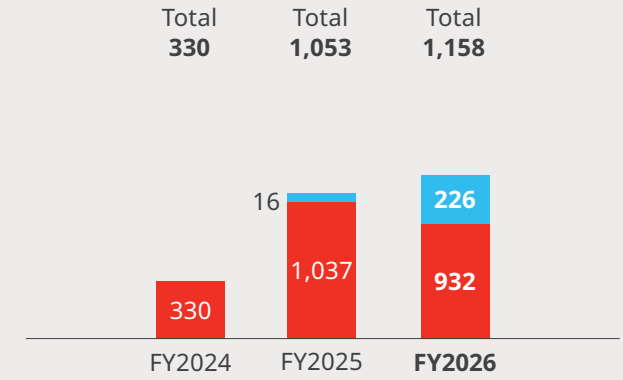
HLCB's CSR Investments (RM)	FY2024	FY2025	FY2026
Corporate Responsibility	6,634	13,150	**22,003**
Supporting Entrepreneurship	16,961	23,945	**63,036**
Nature Preservation, Conservation and Restoration	1,190	8,500	**17,982**
Total	**24,785**	**45,595**	**103,021**

SUSTAINABILITY STATEMENT

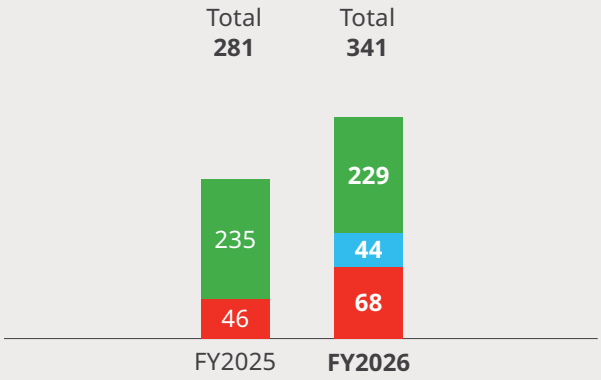
PART B GENERAL SUSTAINABILITY STATEMENT

Engaging on Sustainability

HLCB's CSR Impacts (No. of Beneficiaries)



HLCB's CSR Total Volunteerism Hours



Corporate Responsibility | Supporting Entrepreneurship | Nature Preservation, Conservation and Restoration

Key FY2026 CSR 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 14 masjid and surau benefited.
	Food donation drive for the homeless	PERTIWI Soup Kitchen	Meals distributed to 500 individuals from the underprivileged and homeless community.
Nature Preservation, Conservation and Restoration	Eco-Roots Initiative	Forest Research Institute Malaysia ("FRIM")	Increasing environmental awareness, climate change impacts, forestry conservation among employees and appreciation towards nature.
Supporting Entrepreneurship	Procuring goods and services for festive celebrations from social enterprises	Deaf in Business ("DIB") and Bake X Dignity	Supporting and empowering disabled and underprivileged communities, generating profits to be reinvested in training kitchens and educational programmes.

Supporting Women Empowerment

Under the Supporting Entrepreneurship pillar, HLCB collaborated with Pepper Labs to support their flagship Dapur Digital initiative, equipping women from lower-income communities with the skills needed to become micro-entrepreneurs. 11 employees volunteered to share entrepreneurial tips, plant herbs and cook community dishes, which were distributed to over 100 individuals from the lower-income community. A charitable donation was also provided to support micro-entrepreneurs in expanding their businesses.

In FY2026, HLCB also channelled RM10,000 to the Mah Sing Foundation Charity Fundraising Night, aimed at supporting access to education for under-served children as well as to improve the health, wellbeing and access to education for under-served children. Looking ahead, HLCB plans to build on its community investment efforts, generating further social and environmental value beyond its core business and contribute towards community improvement.

PART C ISSB STATEMENT

Addressing Climate Change

INTRODUCTION

This section marks HLCB's inaugural climate-first IFRS S2-aligned disclosure and should be read alongside "Part B Our Approach to Sustainability", which provides a comprehensive view of the Group's sustainability governance. The overall structure of Part C is as follows:

Financial Materiality Assessment	Climate Governance	Climate Risks and Opportunities
Outlines the process of how HLCB identified its climate risks and opportunities.	Outlines climate governance and climate-risk management protocols established.	Outlines how we manage risks and opportunities identified under two of our climate-related material topics.

FINANCIAL MATERIALITY ASSESSMENT

The DMA conducted by HLCB incorporated a financial materiality assessment of climate-related risks and opportunities. This section supplements our overall DMA process, detailed on pages 35-38. The following outlines the financial materiality assessment conducted in parallel with impact materiality to consolidate the Group's DMA matrix.

Step 1
Identification

Identification of sustainability (including climate) related risks and opportunities.

Step 2
Assess Materiality

Assessing the materiality of sustainability (including climate) related risks and opportunity from a financial impact lens.

Step 3
Consolidation and Validation

Presenting and validating the outcome of the DMA which included financial materiality.

As a first step, HLCB identified climate risks and opportunities that could reasonably be expected to affect the HLCB's prospects, as well as influence decisions made by primary users of general purpose financial reports. The identification was done with inputs from evaluating our operations, value chain interdependencies, and peer benchmarks. The Group also considered the SASB and GRI standards during this process. For a full list of parameters considered when identifying these risks and opportunities, refer to page 36. During the assessment phase, each identified climate risk and opportunity was evaluated based on its potential magnitude and likelihood.

Assessing HLCB's Financial Materiality

Likelihood - Probability of Occurrence	Magnitude - Potential Financial Impact
Thresholds set based on existing operational risk metrics.	New quantitative financial impacts set using existing operational risks metrics as a base.

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

The assessment phase also included a prioritisation exercise conducted by the Group's GMD/CEO, HLIB's CRO, CFO and CSO as well as the HLAM CEO. The thresholds set enabled our Senior Management to identify the varying levels of financial materiality of each climate risk and opportunity. While setting the thresholds, our Senior Management applied significant judgement in identifying the specific risks and opportunities under each material topic and in estimating their likely financial effects. Since this is the Group's first exercise of this kind, the resulting figures carry a high degree of measurement uncertainty, and judgement was needed to establish the underlying assumptions.

Once the prioritisation was completed, business impact and mitigation action was mapped to each climate risk and opportunity. This process allowed us to identify material information to be presented in Part C of this report. The full detailed tables for this mapping exercise can be found on pages 75-78 and pages 93-94. As a final step, the outcome of the DMA which included financial materiality was validated by the SSC and subsequently endorsed by the BARMC and Board.

CLIMATE GOVERNANCE

Board Oversight and Role of the Sustainability Steering Committee

The Board and BARMC are the highest governing bodies with oversight of climate-related matters. In addition, the SSC—chaired by the GMD/CEO of HLIB, is a dedicated committee established specifically to integrate sustainability into our business, including our product portfolio and investments. For further details on the overall sustainability governance scope of the Board, BARMC and SSC, refer to pages 38-40.

Impact of Sustainability on Remuneration Policies

ESG KRAs have been integrated into our variable remuneration framework across the entire organisation. Oversight for this framework is provided by the NRC, which ensures that individual performance and rewards are clearly aligned with our sustainability commitments. For further details on the integration of sustainability considerations into Board and Key Senior Executive remuneration, please refer to page 42.

Risk Management

Identifying Climate-Related Risks and Opportunities

Climate-related risks and opportunities were identified through the DMA process. These risks and opportunities were then prioritised through a financial impact lens by the Group's GMD/CEO, HLIB's CRO, CFO and CSO as well as the HLAM CEO, and subsequently endorsed by the HLCB BARMC. Moving forward, we are integrating these insights into our existing risk management processes to ensure comprehensive risk oversight across the Group.

Monitoring Climate-Related Risks and Opportunities

The CIA unit manages climate-related risk exposure through established protocols. This is supplemented by the ESU, which tracks environmental and climate metrics. Outcomes from these monitoring activities are reported to management committees. Our comprehensive monitoring approach is structured around three distinct pillars:

Our Approach to Monitoring Climate Risk

Assessing our Climate Risk Exposure	Integrating Scenario Analysis	Monitoring our Environmental Footprint
For more information, refer to pages 79-80	For more information, refer to pages 81-82	For more information, refer to pages 85-92

CLIMATE RISKS AND OPPORTUNITIES

Climate Resilience

Business Model and Value Chain Impact

Climate Resilience is the Group's first climate-related material topic, identified through the FY2026 materiality assessment. The tables below set out the potential impacts these risks and opportunities may have on our business and value chain. The time horizons mapped to each impact serve as a guide to how HLCB gauges the current and anticipated scale of these effects.

Climate-Related Physical Risk
Flood risk may disrupt operations and supply chains, resulting in service interruptions and financial losses.

Risk Type Operational Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Business • Branches and data centres prone to adverse weather events. • Disruption to supply chains. • Forced office or branch closure due to damage. • Increased cost of disaster recovery and business continuity planning.	ST MT LT	Conducted a physical climate risk scenario analysis across operations to assess climate resilience. Please refer to page 82 for more details.

Risk Type Enterprise-wide Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Business • Limited operational resilience to natural disasters or climate events, disrupting operations across multiple locations simultaneously. • Operational resilience tested by the need to continuously adapt to and recover from severe weather events.	MT LT	Conducted a physical climate risk scenario analysis across operations to assess climate resilience. Please refer to page 82 for more details.

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

Risk Type Credit Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Clients and Customers • Client collateral destroyed. • Higher insurance costs for clients in flood-prone areas. • Increased default risk where clients' physical assets are damaged.	MT LT	We have implemented several quantitative metrics including the E&S ratings and Climate Value at Risk ("CVaR") quantification to assess portfolio exposure. We have also established a quantitative Risk Appetite Statement ("RAS") which establishes clear measurable boundaries. Please refer to page 81 for more details.

Risk Type Liquidity Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Clients and Customers • Prolonged drought and other climate-related disasters affecting clients' revenue streams. • Disruption to the Bank's cash flows where clients are unable to meet obligations. • Large deposit withdrawals to finance depositors' expenditure on low-carbon equipment and restoration works. • Liquidity strain arising from emergency funding needs.	ST MT LT	We have implemented several quantitative metrics including the E&S ratings and CVaR quantification to assess portfolio exposure. We have also established a quantitative RAS which establishes clear measurable boundaries. Please refer to pages 80-81 for more details.

Climate-Related Transition Risk
Climate regulations and technological shifts may increase operational costs while driving impairments in high-emitting portfolio exposures, leading to asset devaluation, regulatory penalties, and potential reductions in income and profitability.

Risk Type Liquidity Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Operations • Transitioning to sustainable practices and investment in new technologies may increase operational costs and capital outflow. • Large withdrawal of deposits to finance depositors' expenditures on low-carbon equipment and restoration works.	ST MT LT	We strengthen liquidity risk management by incorporating climate-related stress testing and maintaining adequate liquidity buffers to mitigate potential capital outflows from transition-related investments and deposit withdrawals. Please refer to page 81 for more details.

SUSTAINABILITY STATEMENT

Risk Type **Policy & Legal Risk**

Potential Business and Value Chain Impacts

Own Operations

- New climate regulations and enhanced reporting obligations.
- New stringent reporting and disclosure requirements.
- Legal penalties and fines for non-adherence to new environmental laws.

Time Horizons

ST MT LT

Key Mitigation Action

We have begun aligning our climate-related disclosures with the IFRS S2.

This entire sustainability statement now incorporates elements of IFRS S2, particularly from pages 73-102.

Risk Type **Technology Risk**

Potential Business and Value Chain Impacts

Own Operations

- 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.

Time Horizons

MT LT

Key Mitigation Action

We have a relatively small and stable operational carbon footprint within the financial institution industry which doesn't require high transition costs. Please refer to page 86 for more information on our operational emissions.

Additionally, our physical climate risk assessment indicates low overall exposure to climate physical risk. Please refer to page 82.

Risk Type **Strategic Risk**

Potential Business and Value Chain Impacts

Own Operations

- Inability to transition to green financing solutions.
- Loss of competitive advantage, decreasing market shares and overall profitability.

Time Horizons

MT LT

Key Mitigation Action

We have a suite of steadily growing sustainability-linked products and services that are backed by strong internal governance.

Please refer to pages 97-102 for more details.

Risk Type **Enterprise-wide Risk**

Potential Business and Value Chain Impacts

Own Operations

- Failure to incorporate climate risk considerations into the capital adequacy and risk management process.
- Inadequate capital buffer from climate-related risk threatens financial stability, leading to more financial and non-financial losses.

Time Horizons

MT LT

Key Mitigation Action

HLIB incorporates climate risk into ICAAP stress testing, applying the resulting capital buffer to its internal capital threshold.

Please refer to page 81 for more details.

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

Risk Type Credit Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Customer and Clients • Industry transitions to a low-carbon economy. • Consumers become more eco-conscious, leading to reduced demand for non-environmentally friendly products and services. • Credit quality deterioration of clients that were unable to adapt.	MT LT	In addition to our suite of sustainability-linked products and services, we conduct regular engagements across various customer and client segments that contain elements of sustainable investing and finance. Please refer to page 102 for more details.

Risk Type Market Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Customer and Clients • Sudden regulatory changes that led to devaluation of carbon-intensive stocks. • Eco-conscious investors refuse to finance non-climate supporting projects, leading to funding challenges and reduced market valuation for affected companies. • Market adjusts to new climate policies and investors shift towards sustainable investments. • High volatility in securities linked to carbon-intensive industries.	ST MT LT	In addition to our suite of sustainability-linked products and services, we conduct regular engagements across various customer and client segments that contain elements of sustainable investing and finance. Please refer to page 102 for more details.

Climate Related Opportunity
Integrating climate-related risks and opportunities into strategy and operations enhances regulatory compliance, strengthens stakeholder trust, and supports long-term portfolio resilience and value through effective climate risk management.

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Operations • Embedding climate scenario analysis enhances alignment with regulatory compliance. • Quantitative climate-risk metrics can optimise and stabilise capital allocation.	ST MT LT	We have embedded scenario analysis based on BNM's CRST. Please refer to page 81 for more details. Additionally, our CVaR provides senior management with quantitative climate-risk metrics to potentially make more informed decisions. Please refer to page 81 for more details.

Trade-Offs

Risk	Opportunity
Physical and transition climate risks—such as flood-induced operational disruption or credit quality deterioration in high-emitting sectors, may threaten our business continuity, asset valuations, and financial stability.	Integrating climate-related risks and opportunities into strategy and operations strengthens regulatory compliance and stakeholder trust while supporting long-term portfolio resilience and value through effective climate risk management.

Expected Trade-Offs: Proactive Resilience vs. Operational Costs

To build climate resilience, HLCB must balance upfront financial impacts of portfolio climate-resilience, infrastructure upgrades, and ESG data integration against the long-term benefit of avoiding potential physical risk impairments, stranded assets, and reputational damage.

Strategic Action

AI-Driven Risk Assessment

We invest in AI-driven tools that enable us to quantify climate-risk metrics like CVaR, accepting short-term resource allocation costs to ensure long-term stability and informed capital allocation. For more information, refer to page 81.

Integrated Governance & Stress Testing

We embed climate risks into our ICAAP stress testing and RAS, ensuring that our growth remains aligned with resilience thresholds. For more information, refer to page 81.

Effects on Strategy, and Decision-Making

Current Impacts

Climate Risk Exposure

HLIB carried out a climate risk materiality assessment across its portfolio and operations, providing an overview of where physical and transition climate risk remains concentrated within HLIB's business.

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

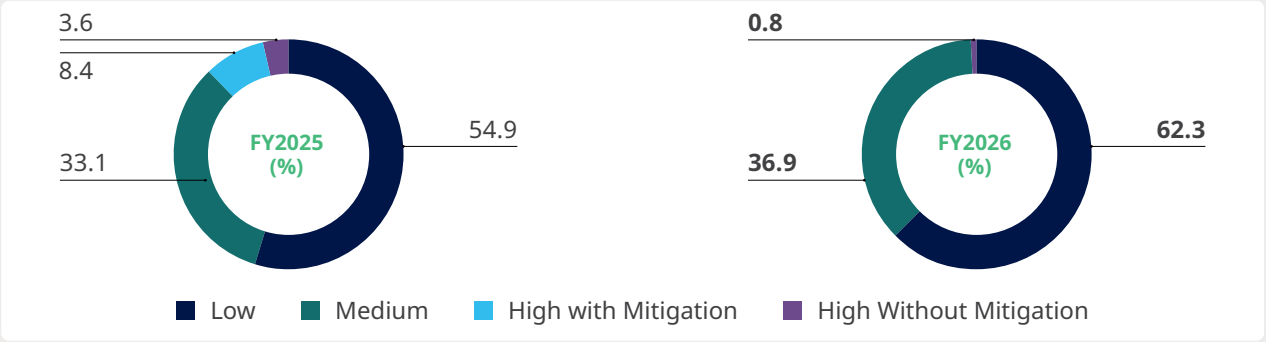
HLIB's Climate Risk Materiality Assessment on Portfolio	HLIB's Climate Risk Materiality Assessment on Own Operations
Portfolios assessed: • T&M • Share Margin Financing • Corporate Banking	**Operations assessed:** • Branches • Data Centres
Climate Risk Drivers:	**Climate Risk Drivers:**
Transition and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

As a result of our climate risk materiality assessment, we have identified that climate risk impacts are largely immaterial across HLIB's T&M, Share Margin Financing, and Corporate Banking portfolios. T&M exposure is minimal given its short-term, high-quality, or government-backed assets; Share Margin Financing is secured by cash and shares; and Corporate Banking represents under 1% of total assets. Operational climate risks are also negligible, with the exception of potential reputational impacts. Our proactive risk identification ensures continued alignment with BNM CRMSA and TCFD standards.

In addition to the materiality assessment, HLIB's internally developed E&S risk assessment tool enables it to have a comprehensive view of climate risk exposure within the fixed income portfolio. For more information on the E&S tool's methodology, please refer to pages 45-46.

The outcome of our E&S assessment indicates that 99% HLIB's portfolio exposure is within the Low to Medium category which represents a 11% improvement compared to FY2025, thus reflecting a climate-positive shift in the entity's portfolios. We recorded no exposure within the High with Mitigation category. In the High Without Mitigation category, all 0.8% of exposure is in the Construction sector.

HLIB's Portfolio Exposure



Note 1: The classifications above are based on HLIB's internal methodology and has been mapped to BNM's CCPT classifications
Note 2: The exposure figures above is representative of HLIB's Fixed Income portfolio

HLIB's E&S Rating Classifications	Sectoral Breakdown	
	Sector	Portfolio Exposure (%)
High Without Mitigation	Construction	0.8

In addition to HLIB, HLAM has implemented a proprietary ESG Framework, aligned with global standards, including SASB and the Malaysian Code on Corporate Governance ("MCCG"). This model enables the systematic integration of ESG factors across the entity's investment universe, which assists in identifying climate-risk exposure within its portfolios. Additional details on this framework can be found on page 97.

Integrating Scenario Analysis

We quantify CVaR for relevant HLIB and HLAM portfolios, which estimates potential 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 the 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. As an outcome of our scenario analysis, we have been able to set a quantitative climate-related RAS threshold based on the resulting CVaR. This enables us to make more informed decisions in managing, mitigating, transferring and accepting climate-related risks.

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

HLCB has applied significant judgement in climate scenario analysis, particularly in the selection of climate scenarios, the underlying assumptions under those scenarios, and the modelling approach used to assess the potential impacts of transition risk and physical risk. The related quantitative impact of the climate scenario analysis are subject to significant uncertainty arising from the assumptions or proxies applied in the climate risk stress testing exercise when data is unavailable, insufficient or limited. It also involves the usage of macroeconomic projections and long-term climate scenarios.

HLCB's Scenario Analysis Outcome and Climate Resilience

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 carbon price assumptions applied across our three scenarios, ranging from low, moderate to high, consistent with BNM CRST prescribed shadow carbon prices. Under the Net Zero 2050 scenario, carbon prices rise significantly to reflect aggressive decarbonisation policy, while the NDCs scenario assumes moderate carbon pricing aligned with current national pledges.

The results of these exercises enable preventive or corrective actions to be established. Climate risk is integrated into the ICAAP Stress Testing, with the resulting capital buffer added to HLIB's Internal Capital Threshold.

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

Beyond assessing physical and transition climate risk across our portfolios, HLIB also identified relevant areas for climate change adaptation by carrying out a physical climate risk assessment of its operations. This covered seven key locations in Peninsular Malaysia, including its principal office, main branches, HLeBroking hubs and data centre, focusing on two 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.

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.

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

L >3,000m M >500m to 3,000m

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

The insights from our scenario analysis 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.

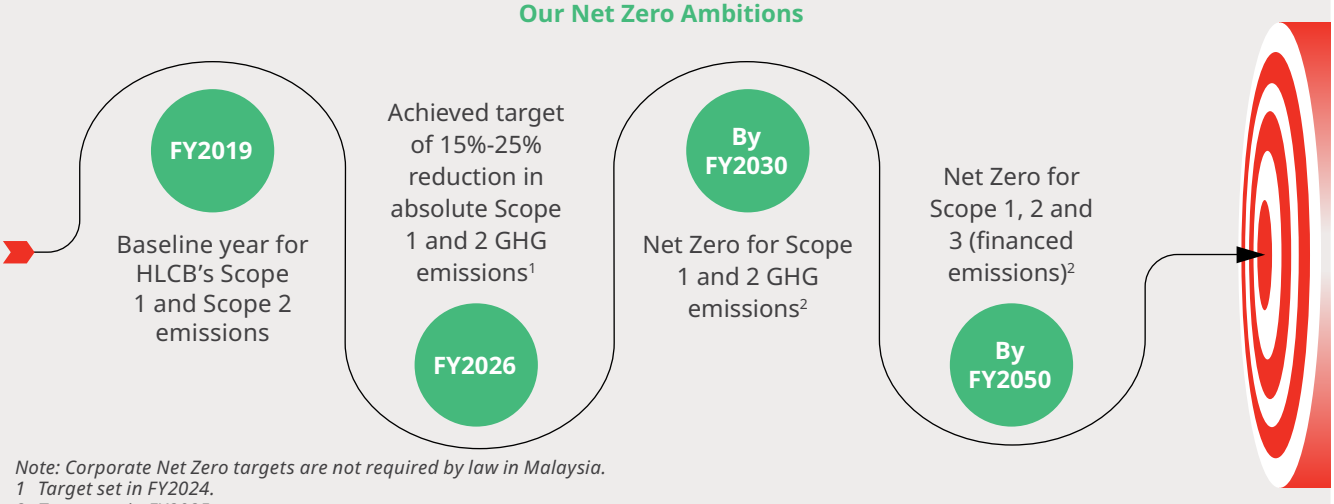
Anticipated Impacts

We have taken further steps to strengthen how we govern climate risk internally and monitor climate exposure. Looking ahead, we aim to progressively steer our financial and operational activities towards our Net Zero targets. We are mindful of the potential need for carbon credits to offset residual emissions; HLCB has not purchased any carbon credits to date but will continue to assess the scope of carbon credits that may be required. As at FY2026, HLCB has not implemented an internal carbon pricing mechanism, but continues to monitor developments in Malaysia's carbon pricing landscape and plans to establish a robust methodology for internal carbon pricing if needed, to guide operational and investment decisions.

Metrics and Targets

The Group has set targets to reach Net Zero for Scope 1 and Scope 2 emissions by FY2030. This medium-term target builds on our short-term target of reducing absolute Scope 1 and Scope 2 emissions by 15% to 25% by FY2026, against a FY2019 baseline. Our path to the FY2030 Scope 1 and Scope 2 Net Zero target combines GHG reduction initiatives with the eventual offsetting of residual emissions. For more information of our progress against our GHG targets, please refer to pages 86-88.

Our Net Zero Ambitions



Note: Corporate Net Zero targets are not required by law in Malaysia.
1 Target set in FY2024.
2 Target set in FY2025.

HLCB generally measures its GHG emissions in accordance with the GHG Protocol and reports based on IFRS S2 requirements, recognising the inherent uncertainty in third-party activity data and applying estimation where necessary. Financed emissions represent our most material carbon footprint component and a key indicator of climate risk. To quantify this exposure, the Group has developed a proprietary methodology paper for financed emissions, aligned with the Global GHG Accounting and Reporting Standard for Financed Emissions (Part A, Second Edition). Completed in FY2026 with input from the Partnership for Carbon Accounting Financials ("PCAF"), this framework provides the guidance and transparency needed to progressively steer our financial activities towards Net Zero. The Group remains committed to continuous improvement, including updating our methodology to the PCAF Part A (Third Edition) standard in the coming financial year.

Beyond our portfolios, we actively track Scope 1, 2, and relevant Scope 3 operational emissions using an in-house tool, applying Senior Management judgement to approve appropriate calculation methods based on data quality. This tool also supports our broader environmental data tracking efforts to include energy, electricity, water and waste data. Reflecting our commitment to minimising our operational footprint, we have integrated sustainability into our daily operations—for instance, by installing dedicated recycling bins at Hong Leong Tower and Plaza Zurich and collaborating with waste service providers to improve reporting accuracy and accountability.

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HLCB's Financed Emissions

The table below presents the HLIB's gross financed emissions disaggregated by Scope 1, 2, and 3 GHG attributed to investments, broken down by asset class and by industry. The industry classification is based on Bursa Malaysia's Sector Classification of Applicants or Listed Issuers.

HLIB's Financed Emissions Data							
Asset Class	PCAF Data Quality Score	Sector	Total Gross Exposure (RM Million)	Absolute Financed Emissions for Scope 1 (tCO_2e)	Absolute Financed Emissions for Scope 2 (tCO_2e)	Absolute Financed Emissions for Scope 3 (tCO_2e)	Total Absolute Financed Emissions (tCO_2e)
Corporate Bonds and Listed Equities	3.80	**Total**	**2,035.71**	**57,770.46**	**15,329.55**	**59,830.27**	**132,930.28**
		Industrial Products & Services	157.78	10,981.80	5,102.83	41,066.02	57,150.65
		Utilities	148.43	17,210.88	2,053.26	679.91	19,944.05
		Consumer Products Services	262.40	9,997.51	4,333.36	4,830.76	19,161.63
		Energy	188.91	10,290.28	457.94	6,202.77	16,950.99
		Plantation	66.33	4,893.06	551.92	471.50	5,916.48
		Transportation & Logistics	218.19	2,636.17	158.52	1,435.99	4,230.68
		Financial Services	488.03	277.85	799.52	1,847.06	2,924.43
		Health Care	10.14	680.95	278.66	581.85	1,541.46
		Construction	176.31	238.45	279.53	989.41	1,507.39
		Property	157.97	253.97	517.48	472.58	1,244.03
		Others	4.43	153.11	65.27	685.25	903.63
		Real Estate Investment Trusts	59.89	4.10	383.76	376.37	764.23
		Technology	47.35	98.20	213.05	84.37	395.62
		Telecommunications & Media	48.94	33.08	125.48	12.23	170.79
		Derivatives	0.59	20.30	8.65	90.85	119.80
		Business Trust	0.02	0.75	0.32	3.35	4.42
Sovereign Debt (with LULUCF)	2.00	**Total**	**257.23**	**4,905.23**	**N.A.**	**N.A.**	**4,905.23**
Sovereign Debt (without LULUCF)	2.00	**Total**	**257.23**	**13,815.37**	**N.A.**	**N.A.**	**13,815.37**

Note 1: HLIB's assets with less than one year to maturity have been excluded from the financed emissions calculations as per the PCAF standard.
Note 2: Emissions removals, avoided, and facilitated emissions are not reported due to limited data availability and quality.

In FY2026, HLIB successfully completed a more comprehensive quantification of its financed emissions. The entity recorded a total absolute financed emissions of more than 132,000 tCO_2e for its listed equity and corporate bonds asset class, mainly contributed by investments in the industrial products and services sector. FY2026 also marks HLIB's inaugural disclosure for the sovereign debt asset class, recording more than 4,900 tCO_2e with LULUCF and more than 13,800 without LULUCF.

The Group also began disclosing HLAM's financed emissions. The table below outlines HLAM's financed emissions disaggregated by Scope 1, 2 and 3. All the funds included in the financed emissions calculation follow an active investment strategy.

HLAM's Financed Emissions Data							
Investment Strategy	Asset Class	PCAF Data Quality Score	Total Gross Exposure (RM Million)	Absolute Financed Emissions for Scope 1 (tCO_2e)	Absolute Financed Emissions for Scope 2 (tCO_2e)	Absolute Financed Emissions for Scope 3 (tCO_2e)	Total Absolute Financed Emissions (tCO_2e)
Active	Malaysian Listed Equity and Corporate Bonds	3.32	4,347.75	156,432.74	36,889.59	157,911.15	351,233.48
	Malaysian Sovereign Debt (with LULUCF)	2.00	407.99	7,800.93	N.A.	N.A.	7,800.93
	Malaysian Sovereign Debt (without LULUCF)	2.00	407.99	21,970.97	N.A.	N.A.	21,970.97

Note 1: HLAM's corporate bonds securities with less than one year to maturity have been excluded from the financed emissions calculations as per the PCAF standard.
Note 2: Emissions removals, avoided, and facilitated emissions are not reported due to limited data availability and quality.
1 Calculated based on reported and estimated GHG emissions data sourced from a third-party service provider. We are committed to continuously enhancing our data coverage and aim to progressively expand the scope of our emissions quantification across HLAM's broader fund portfolio in future reporting cycles.

In FY2026, HLAM recorded more than 351,000 tCO_2e worth of financed emissions arising from the listed equity and corporate bonds asset class. The entity also recorded financed emissions within the sovereign debt asset class of more than 7,800 tCO_2e with LULUCF and 21,900 tCO_2e without LULUCF. HLAM's financed emissions are currently computed for Malaysian securities. The entity is establishing internal protocols to compute financed emissions for foreign securities as well.

HLCB's Operational GHG Emissions

We actively measure and manage GHG emissions across our operational activities. 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.

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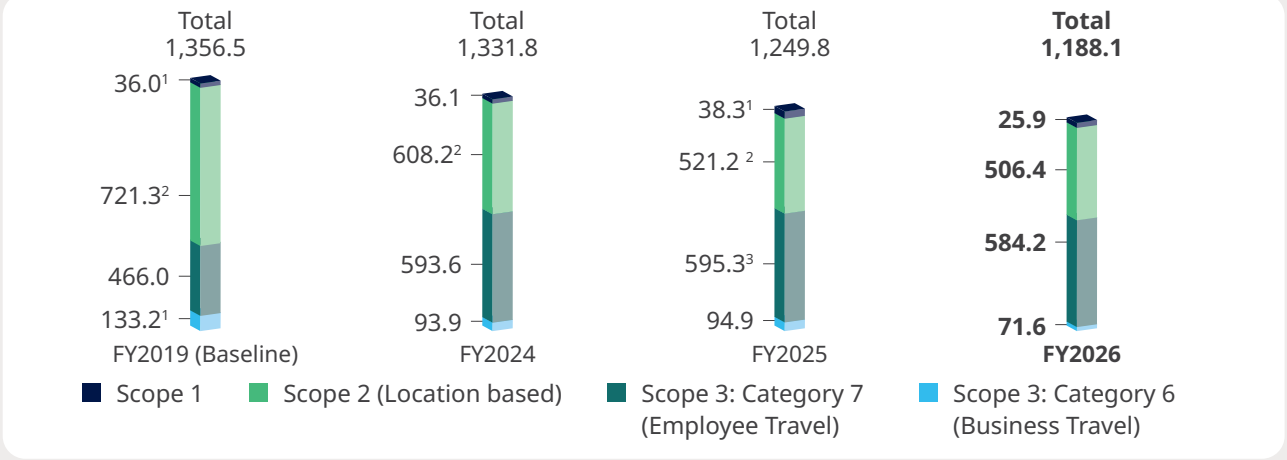
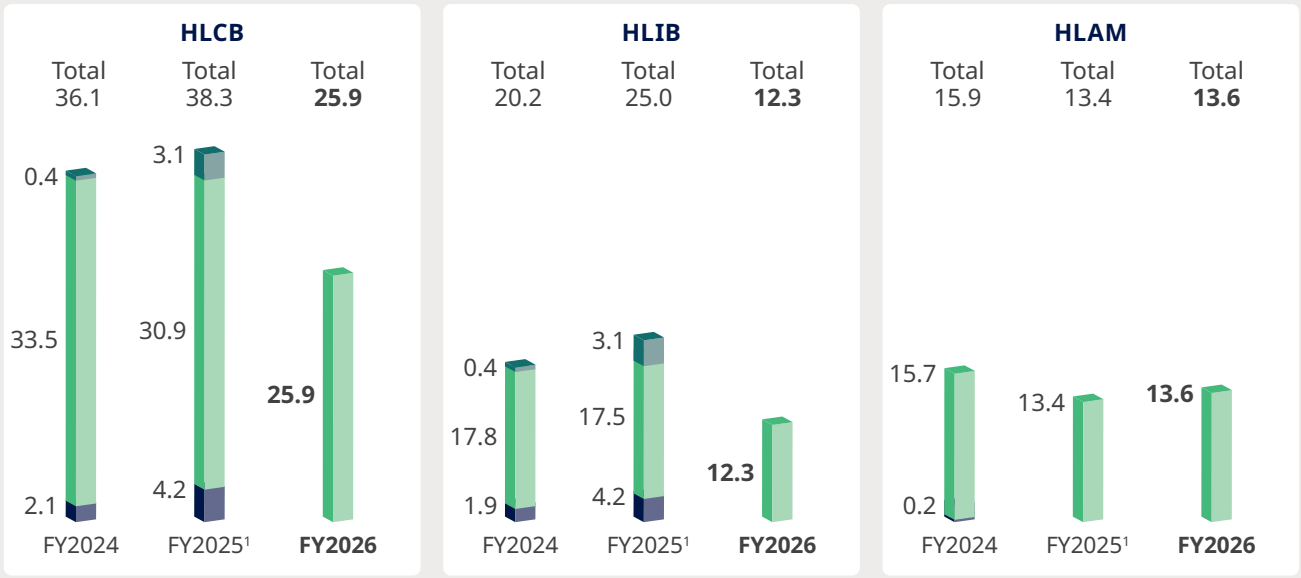
HLCB's Absolute Gross Operational GHG Emissions (tCO_2e)



Note: Scope 2 (Market Based) for HLCB is Nil, as the organisation has not engaged in any power purchase engagements.
1 Restated due to improvements in accuracy of input data.
2 Values restated due to updates to national grid emission factors.
3 Data restated to include biodiesel consumption consideration.
4 Slight variance due to rounding of values.

Since surpassing our mid-term target ahead of schedule in FY2025, we continue to show progress through further Scope 1 and 2 emission reductions. HLCB's combined Scope 1 and 2 emissions stands at 532 tCO_2e, which is a 29.7% decrease from the FY2019 baseline, surpassing the FY2026 target of 25% combined Scope 1 and 2 reduction.

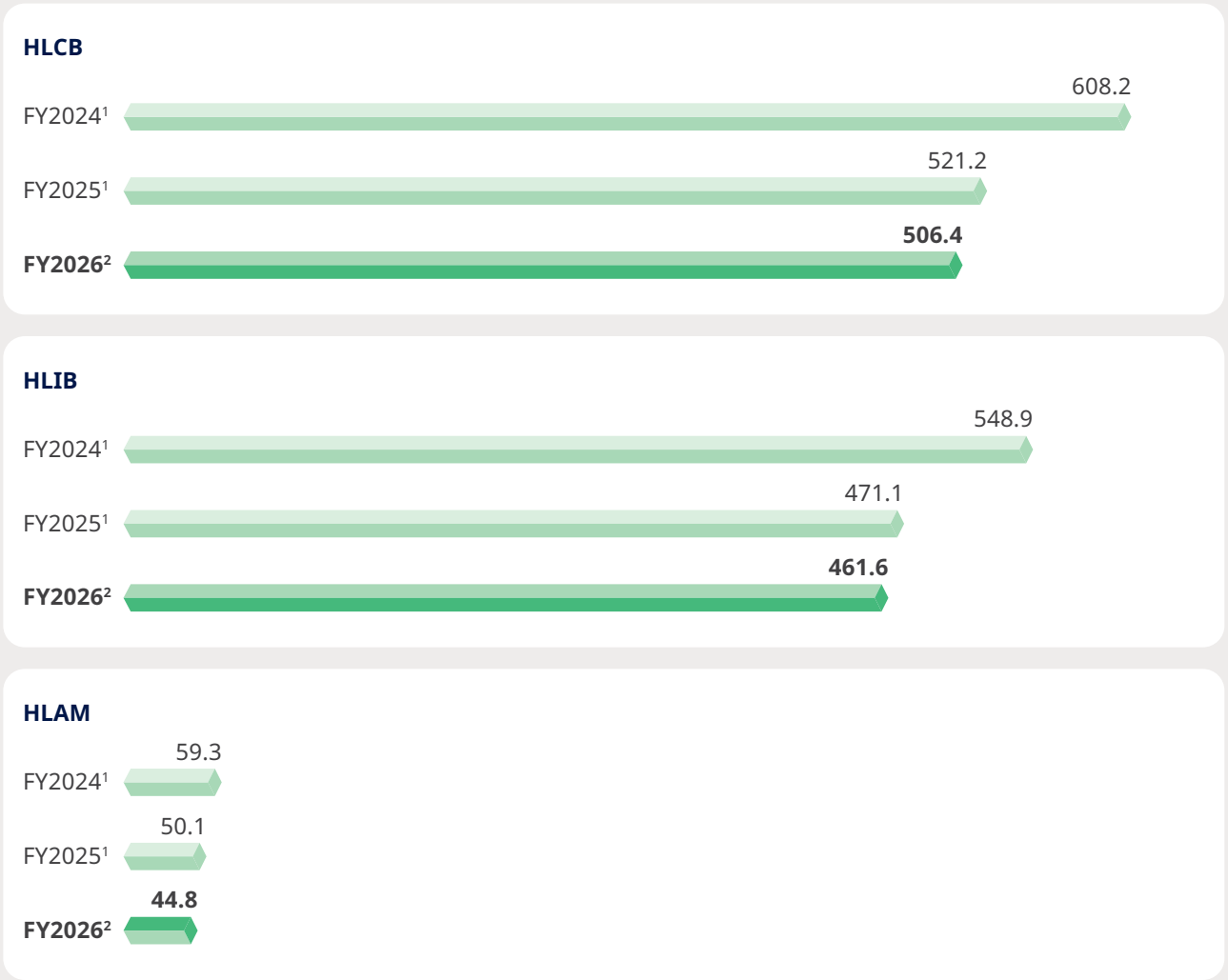
Absolute Gross Scope 1 Emissions(tCO_2e)



Note 1:
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.
Note 2:
Due to rounding of the figures above, the summation of HLIB and HLAM may be marginally different from HLCB
1 FY2025 breakdown of Scope 1 has been restated due to improvements in accuracy of input data.

In FY2026, our Scope 1 emissions recorded a year-on-year decrease of 32.4%, largely due to the reduction in fuel consumption from our diesel generators and mobile vehicles. Wherever possible, diesel vehicles are gradually phased out in favour of less carbon intensive vehicles. HLCB is exploring the viability and effectiveness of integrating hybrid and electric vehicles ("EVs") into its fleet to further reduce Scope 1 emissions.

Absolute Gross Scope 2 Emissions (Location-based) (tCO_2e)



Note: 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

1 Values restated due to updates in national grid emission factors.

2 Excludes emissions from EVs. As of March 2026, HLCB operates an EV and is in process of including EV-related emissions into its calculations. However at this moment, it is deemed insignificant compared to the size of total Scope 2 emissions.

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In FY2026, HLCB's Scope 2 emissions recorded a slight year-on-year decrease of 2.8%. The decrease is attributable to two initiatives implemented across both HLIB and HLAM operations:

Yearly Scope 2 Reduction Initiatives

- Replacing lightings with more energy efficient bulbs in its branches and office spaces.
- 'Lights Off' Initiative to encourage employees to switch off lights when not in use.

Absolute Gross Scope 3 Emissions (tCO_2e)				
Entity	**Scope 3 Category**	**FY2024**	**FY2025**	**FY2026**
HLCB	Category 6 - Business Travel	93.9	94.9	**71.6**
	Category 7 - Employee Commuting	593.6	595.3[1]	**584.2**
	Grand Total	**687.5**	**690.2**	**655.8**
HLIB	Category 6 - Business Travel	46.6	48.1	**37.1**
	Category 7 - Employee Commuting	593.6	444.7[1]	**442.0**
	Total	**640.2**	**492.8**	**479.1**
HLAM	Category 6 - Business Travel	47.3	46.9	**34.5**
	Category 7 - Employee Commuting	N.A[2]	150.6[1]	**142.2**
	Total	**47.3**	**197.5**	**176.7**

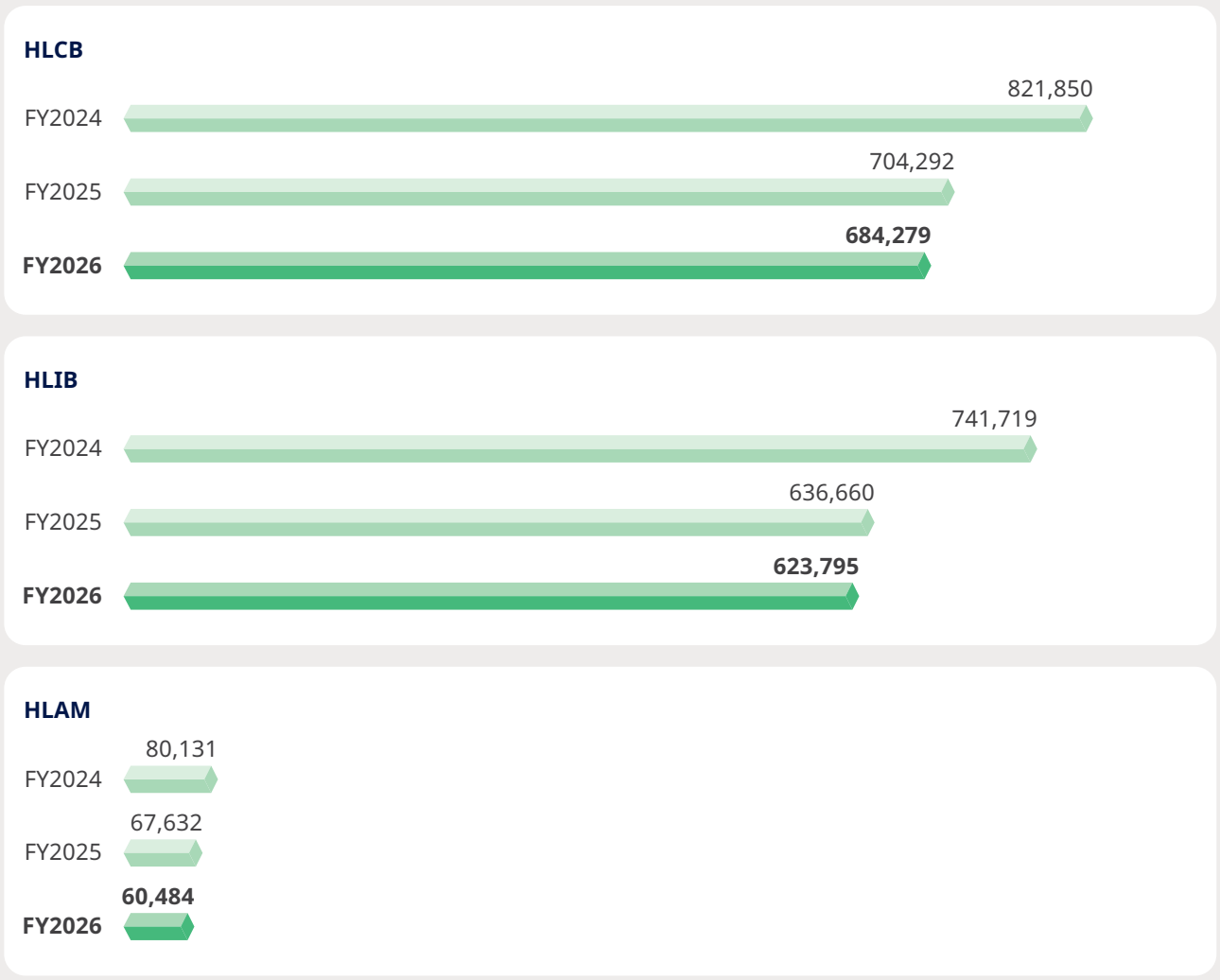
Note 1: Boundary of data includes business travel via employee claims, covering travel by road, flight, and train across Malaysia. The figure presented also includes emissions from employee commuting across Malaysia.
Note 2: Employee commuting figures are based on an estimation of employee travel trends compiled via a survey in FY2025, with the assumption of no significant change in FY2026. The variables for FY2026 are the total working days and total employees
1 Data restated to include biodiesel consumption consideration.
2 Historical detailed breakdown unavailable because survey has not separated by HLCB's entities.

In FY2026, HLCB's total Scope 3 emissions decreased by 5.0% compared to FY2025. The decrease is largely attributed to reduced business travel by HLIB and HLAM employees, while employee commuting emissions remain relatively constant. Since HLCB's in-house Scope 3 tracker was just established in FY2024, we still expect fluctuations in the emissions before a stabilised trend can be seen. To improve calculation accuracy, we are constantly reviewing emission factors and data collection methods with internationally-recognised references and strive to adopt the use of primary data whenever possible.

HLCB's 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.

Annual purchased electricity (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 FY2026, HLCB's purchased electricity consumption decreased by 2.8%, while HLIB recorded a 2% decrease and HLAM recorded a 10.6% decrease in purchased electricity consumption. HLCB is progressively increasing its adoption of energy-efficient appliances and lighting systems to reduce power consumption. Complementing our Lights Off Initiative, employees are also encouraged to switch off appliances that are not in use, or set devices to a power saving mode.

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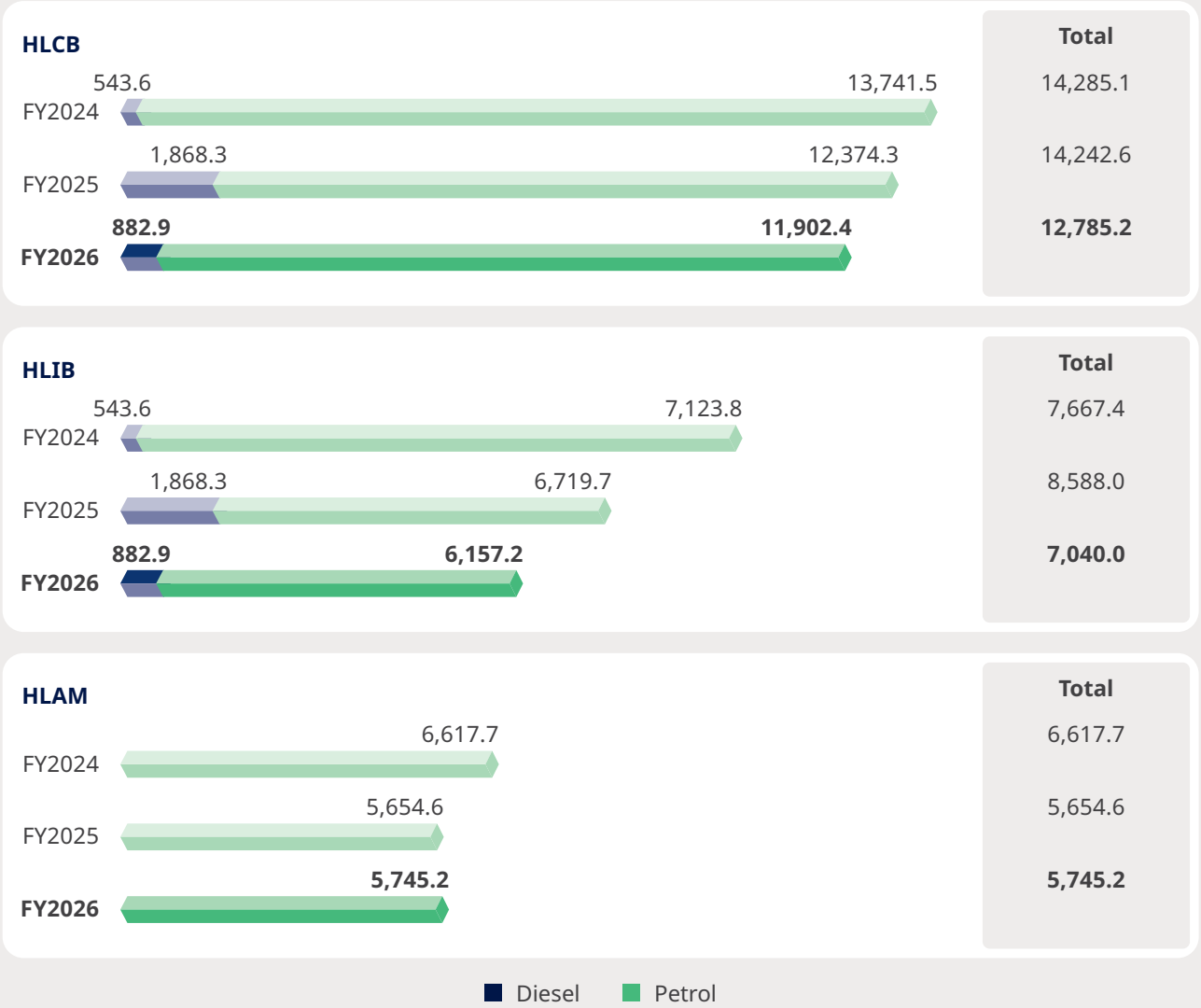
Addressing Climate Change

Fuel consumption (litres)



Note 1: 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 in company vehicles

Note 2: Total figures may have slight variance due to rounding of figures

In FY2026, HLCB recorded significant reductions of 52.8% in year-on-year diesel consumption. The decrease is largely contributed by HLIB operations, where diesel generators were not used in the financial year. In support of HLCB's decarbonisation plan, HLIB is phasing out its use of diesel vehicles in favour of lower carbon alternatives. Moving forward, HLCB is assessing the effectiveness of transitioning its company vehicles to hybrid or EVs. As a result of our reductions in electricity and fuel consumption, we are able to reduce our total energy consumption by 4.2% compared to FY2025. As a result, our energy consumption currently stands at 4.6 GJ/employee, a 1.1% decrease from last financial year.

Energy consumption (GJ)				
Entity	**Energy Consumption**	**FY2024**	**FY2025**	**FY2026**
HLCB	Stationary combustion	6.1	47.0	**0**
	Mobile combustion (petrol)	460.4	414.6	**398.8**
	Mobile combustion (diesel)	14.7	24.5	**33.8**
	Annual electricity consumption	2,958.7	2,535.5	**2,463.4**
	Total energy consumption	**3,439.9**	**3,021.6**	**2,896.0**
HLIB	Stationary combustion	6.1	47.0	**0**
	Mobile combustion (petrol)	238.7	225.2	**206.3**
	Mobile combustion (diesel)	14.7	24.5	**33.8**
	Annual electricity consumption	2,670.2	2,292.0	**2,245.7**
	Total energy consumption	**2,929.7**	**2,588.7**	**2,485.8**
HLAM	Stationary combustion	0	0	**0**
	Mobile combustion (petrol)	221.7	189.5	**192.5**
	Mobile combustion (diesel)	0	0	**0**
	Annual electricity consumption	288.5	243.5	**217.7**
	Total energy consumption	**510.2**	**433.0**	**410.2**

Note 1: kWh (electricity) and litres (fuel) conversion to Gigajoule (GJ) is based on the energy conversion calculator from the U.S. Energy Information Administration.
Note 2: Due to rounding of the figures above, the summation of HLIB and HLAM may be marginally different from HLCB.

To improve water management, HLCB has expanded its water-related data coverage to include the HLAM branch in Penang. The FY2026 value also includes full financial year data for HLIB's Hong Leong Tower office. As a result, HLCB's total water consumption for FY2026 rose to 3,620.9 m^3. Moving forward, HLCB continues to improve on its data comprehensiveness by expanding its boundary to include all significant operating sites in phases. We also continuously promote efficient water use among all HLCB employees to minimise our water footprint.

Total water consumption (m^3)			
Entity	**FY2024[1]**	**FY2025[2]**	**FY2026[3]**
HLCB	1,182.0	1,562.0	**3,620.9**
HLIB	1,092.0	1,470.0	**3,266.9**
HLAM	90.0	92.0	**354.0**

Note: The units for historical data have been restated to the correct units of m^3, as compared to liters in previous disclosure.
1 Data boundary includes HLIB and HLAM operations in Perak and Plaza Zurich.
2 Data boundary expanded to include HLIB and HLAM operations in Hong Leong Tower and Johor.
3 Data boundary further expanded to include HLIB and HLAM operations in Penang and second branch in Perak.

Since waste-related data tracking commenced in December 2024, FY2026 marks the first complete financial year of reporting. Hence, total waste generated increased to 10,788kg, with 10.7% of it being recycled. As we continuously improve our data collection methods, we expect further variance in future waste-related data before a stabilised trend can be seen. Regardless, HLCB continues to embrace digitalisation through campaigns like HLAM's iSmart and EPF i-Invest to reduce paper consumption while raising awareness internally by organising waste reduction and recycling campaigns for its employees.

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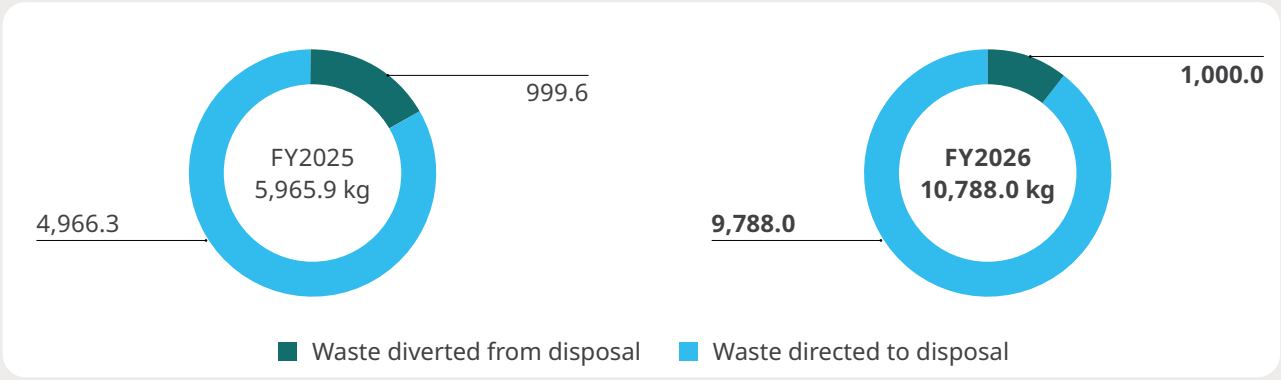
Addressing Climate Change

Waste Generation (kg)



Note: Boundary of data includes Hong Leong Tower and Plaza Zurich

Financial Impacts

The current financial impacts from our climate resilience efforts mainly involve annual expenditure aimed at enhancing the robustness of our climate monitoring and reporting. Ensuring the robustness of our climate data subsequently provides Senior Management with meaningful insights for decision-making.

The financial impacts in FY2026 are deemed immaterial based on our financial materiality threshold. However, we have disclosed a breakdown of these financial impacts to provide our stakeholders with a clear view of our expenditure in ensuring climate resilience. In FY2026, we invested RM0.38 million for our climate scenario analysis and financial emissions quantification platform. We also invested an additional RM0.24 million to purchase an EV in efforts to reduce our Scope 1 emissions. While these investments may not be financially significant to the Group, it has been reported to reflect our commitment to reducing the Group's operational emissions.

Financial impacts (RM Million)	Current (FY2026)	Short-Term (FY2027)
Financial Performance[1]		
Annual subscription to climate scenario analysis and financed emissions platform	(0.38)	**(0.32)**[2]
Financial Position[1]		
Addition to property, plant and equipment—EV vehicle	(0.24)	-
Reduction in cash and short-term funds	(0.62)	**(0.32)**
Cash flows[1]		
Cash outflows from operating activities—climate resilience expenditures	(0.38)	(0.32)
Cash outflows from investing activities—purchase of EV company vehicle	(0.24)	-

1 FY2026 marks the first year for HLCB's disclosure on financial impacts. This list may be non-exhaustive. HLCB has applied the IFRS S1 proportionality mechanism and is committed in building internal capacity to identify more comprehensive financial impacts.
2 Anticipated—assumes renewal at current terms. The actual amount may differ.

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Sustainable Products & Services

Business Model and Value Chain Impact

Our FY2026 DMA identified climate-related risks and opportunities associated with our Sustainable Products and Services material topic. The effects of these risks and opportunities extend across both our own business and our wider value chain, summarised in the tables below. The time horizons mapped to each impact serve as a guide to how HLCB gauges the current and anticipated scale of these effects.

Climate-Related Transition Risk
Inadequate governance over sustainable products, including unclear sustainability criteria, weak product labelling or insufficient due diligence, may expose HLCB to greenwashing risk, regulatory scrutiny and loss of market trust.

Risk Type Reputational Risk

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Own Business • Shifts in investor and client preference towards sustainable products and practices. • Public backlash arising from perceived greenwashing. • Damage to brand and reputation. • Reduced investor and client confidence, leading to lower revenue and reduced demand for goods and services.	ST MT LT	Establishment of the NZTP and internal governance protocols for sustainable products. Refer to pages 95-96 for more details.

Climate Related Opportunities
- Developing and scaling sustainability solutions can unlock new revenue streams, attract sustainability-focused investors and enhance long-term competitiveness.
- Broaden sustainable solutions by enhancing advisory support for the issuance of sustainable bonds and sukuk, enabling clients to decarbonise and strengthen their climate resilience.

Potential Business and Value Chain Impacts	Time Horizons	Key Mitigation Action
Business Operations • Innovative products can generate revenue and open access to new markets. • Internal frameworks for sustainable products built on recognised standards reduce compliance risk and penalties while improving workflow efficiency.	MT LT	Quantitative metrics to measure and monitor the growth of our sustainability-linked products and services have been established and are reported regularly to Senior Management, BARMC and the Board. For more information, please refer to pages 97-102.

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Addressing Climate Change

Potential Business and Value Chain Impacts

Customers and Clients

- Improved access to specialised pools of capital earmarked for sustainable development, for corporate clients.
- Provision of clean, transparent ESG assets matched to the mandates of institutional clients.
- Building awareness of sustainable investing among retail customers.

Time Horizons

ST MT LT

Key Mitigation Action

Quantitative metrics to measure and monitor the growth of our sustainability-linked products and services have been established and are reported regularly to Senior Management, BARMC and the Board.

For more information, please refer to page 43.

Trade-Offs

Risk	Opportunity
Inadequate governance over sustainable products—including unclear sustainability criteria, weak product labelling, or insufficient due diligence—may expose HLCB to greenwashing risk, regulatory scrutiny and loss of market trust.	Developing and scaling sustainability solutions can unlock new revenue streams, attract sustainability-focused investors and enhance long-term competitiveness.

Expected Trade-Offs: Speed to Market vs. Governance & Due Diligence

To capture opportunities relevant to the sustainable finance market, HLCB must balance rapid product launches with rigorous due diligence. Launching too quickly heightens greenwashing and regulatory risk, while excessive delay risks losing first-mover advantage and market share.

Strategic Action

Robust Governance Mechanisms

We apply multi-layered oversight across our SSC, BARMC and Board, while utilising established frameworks to ensure robust governance across all sustainable investments, products and services. For more information, refer to pages 39-40.

Suite of Sustainable Products & Services

We maintain a suite of sustainability-linked products backed by established performance metrics that are tracked regularly and presented to the Board. For more information, refer to page 43.

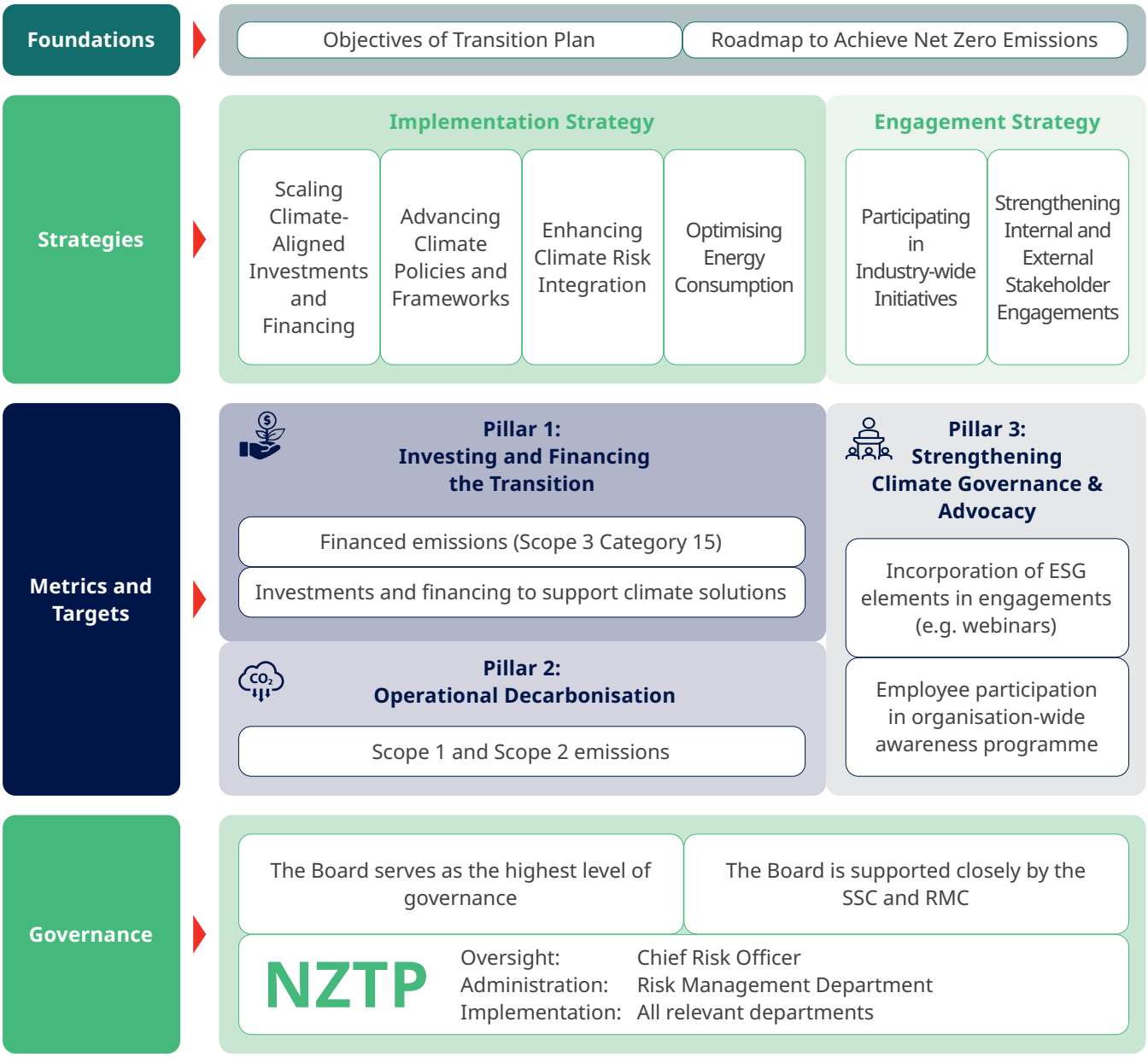
Actively Pursuing Opportunities

We actively pursue opportunities within the sustainable finance market via sustainability-linked pitches and active stakeholder engagements. For more information, refer to page 102.

Effects on Strategy, Management Approach and Decision-Making

Current Impacts

We are conscious of the risks that arise without strong internal governance over sustainable products and services, while also recognising the growing demand for such products in Malaysia. This awareness has directly shaped our strategy and business approach, leading to the development of the Group's NZTP, HLCB's overarching strategy to manage these risks and opportunities. In developing this plan, we aligned our Net Zero ambitions with Malaysia's national targets.



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FY2026 Progress Against our NZTP

Pillar	Metrics & Targets	Key FY2026 Achievements
Pillar 1 Investing and Financing the Transition	Financed emissions (Scope 3 Category 15).	Expanded financed emissions quantification for HLIB and began disclosing for HLAM.
	Investments and services to support climate solutions.	HLIB has invested RM345 million in green and sustainable bonds while HLAM recorded an AUM with integration of ESG analysis into its investment process of RM13.44 billion.
Pillar 2 Operational Decarbonisation	Scope 1 and Scope 2 emissions.	HLCB recorded a Scope 1 and Scope 2 emissions reduction of 4.8% year-on-year.
Pillar 3 Strengthening Climate Governance & Advocacy	Incorporation of ESG elements in engagements.	HLIB's Stockbroking team recorded a rate of ESG incorporation into webinars, roadshows and campaigns of 59%.
	Employee participation in organisation-wide awareness programme.	HLCB employees participated in 12 external training sessions related to sustainability.

We are committed to Malaysia's 2050 Net Zero ambition, driving a just transition and GHG reductions aligned with Malaysia's National Energy Transition Roadmap. In FY2026, we enhanced our NZTP by reviewing the National Climate Change Policy ("NCCP") 2.0 and mapping our internal initiatives directly to it, reinforcing our position of supporting national climate-positive policies through transparent disclosure.

Malaysia's National Climate Change Policy 2.0 ("NCCP 2.0")

NCCP 2.0 Strategic Thrust 2

To achieve low carbon development

NCCP 2.0 Strategic Thrust 4

Scale up blended financing and enable a sustainable market

ST2S1KA3

Enhance efforts to increase renewable energy (RE) capacity

ST4S2KA2

Facilitate financial flow to meet climate action needs

ST4S2KA3

Enhance capacities to evaluate and approve climate-related projects

Alignment to HLCB's NZTP

HLCB Alignment 1: Sustainable Investments
HLIB's investments classified as green bond increased by 44% in FY2026 to RM345 million, while investments in the renewable energy sector reached RM65 million, while HLAM has formalised an ESG Framework in its investment policy since 2021

HLCB Alignment 2: Sustainable Finance Training
HLCB delivered 2 training sessions related to sustainable finance and investment in FY2026

SUSTAINABILITY STATEMENT

Our business has also undergone strategic change aimed at strengthening the internal frameworks supporting our management of climate-related risks and opportunities. Initiatives to strengthen climate governance currently draw on a combination of internal funding for training and the sustainability expertise already available within the organisation.

The Group has developed and adopted key frameworks, including the HLIB Green Bond Framework ("GBF"), aligned with the ASEAN Green Bond Standards ("ASEAN GBS") and ICMA Green Bond Principles ("ICMA GBP"). This framework guides bond issuances, with proceeds funding projects that meet defined eligibility criteria. Business units screen projects through credit evaluation, while the SSC ensures compliance with the framework; HLIB obtains Environmental Impact Assessment reports where necessary to manage E&S risk.

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

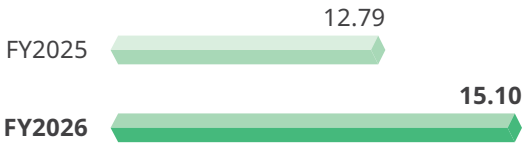
HLAM has developed an in-house proprietary ESG Framework aligned with global standards such as SASB and the MCCG. The model enables systematic ESG integration across HLAM's investment universe.

- **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**

In FY2026, HLAM saw significant growth in funds with ESG integration. ESG-integrated AUM reached 89% of the entity's total AUM, marking a substantial increase of more than half of the entity's AUM spanning across various funds. This progress was driven by growth across asset classes: pure equity funds with ESG integration grew by 31.1% in value, while pure fixed income funds expanded significantly, with total value up by 304.8%. This reflects HLAM's progress in embedding ESG considerations into its broader investment decision-making.

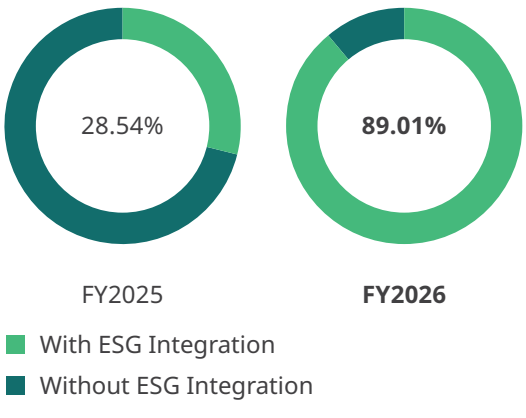
HLAM saw significant growth in funds with ESG integration. ESG-integrated AUM reached **89%** of the entity's total AUM.

Total AUM (RM billion)



Total AUM with ESG integration (RM billion)

% AUM with ESG Integration (RM billion)

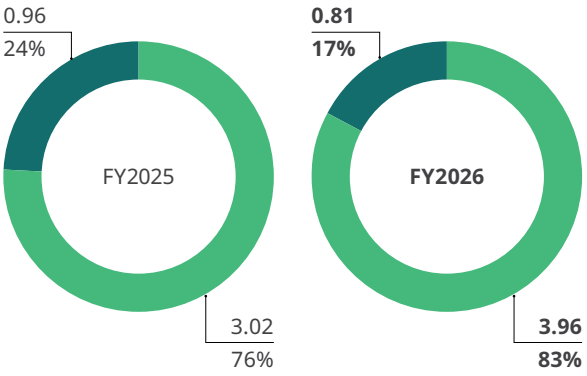


SUSTAINABILITY STATEMENT

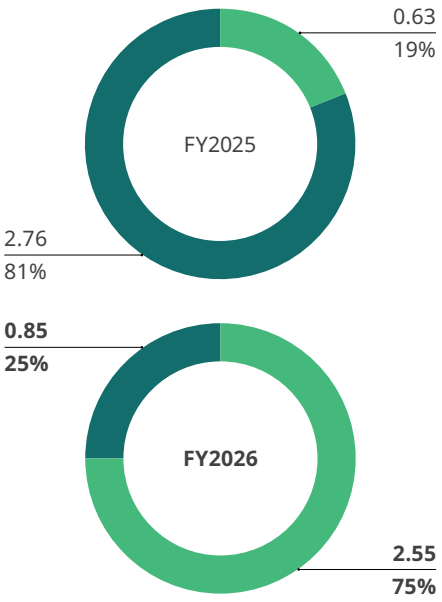
PART C ISSB STATEMENT

Addressing Climate Change

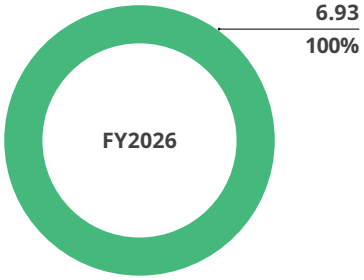
Pure equity funds with ESG integration (RM billion)



Pure fixed income funds with ESG integration (RM billion)



Money market funds with ESG Integration[1] (RM billion)



With ESG Integration

Without ESG Integration

1 ESG integration for money market funds began in FY2026

HLAM's assets or business activities aligned with climate-supporting and climate-related opportunities

HLAM's equity and fixed income portfolio with ESG integration includes climate-related research and are deemed to be aligned with climate-related opportunities.

In FY2026, **RM13.44 billion** or **89%** of HLAM's overall AUM has integrated ESG analysis into its investment process.

In FY2026, HLAM established a Proxy Voting Policy. This Policy details how HLAM fulfils its stewardship duties as an investment manager and institutional investor. By incorporating proxy voting into our broader responsible investment strategy, we strengthen our commitment to active ownership and the pursuit of long-term sustainable value.

HLAM's Proxy Voting Policy Considers Key Sustainability Areas

- **Governance-related considerations**
- **Climate Change Risks and Strategies**
- **Supply Chain Sustainability and Human Rights**
- **Human Capital Management** *(including diversity & inclusion)*

Beyond HLIB's and HLAM's initiatives to strengthen sustainability and climate governance, we continue to build our suite of sustainability-linked products, supported by performance metrics that are tracked regularly and presented to the SSC, BARMC and the Board; these are discussed further in the "Metrics and Targets" section on pages 99-102.

Anticipated Impacts

Looking ahead, the Group expects further engagement and training for Senior Management to keep pace with the rapidly evolving sustainability landscape. We also anticipate steady annual growth in our sustainability-linked product and service portfolios, supported by growing customer demand as corporate sustainability standards become more stringent.

Metrics and Targets

The Group manages risks and opportunities by tracking performance metrics across our suite of sustainability-linked products and services for corporate, institutional and retail customers and clients. While these offerings are still being refined and quantitative targets have not yet been set, we are actively working towards their establishment.

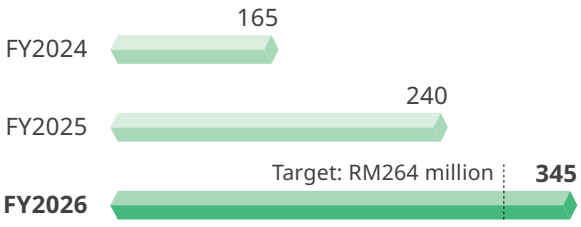
HLIB's Green Subordinated Notes Programme ("Green Sub Notes") raises capital for sustainable development in Malaysia, channeling funds towards environmentally-beneficial projects under the HLIB GBF. As at FY2026, 100% of proceeds from the RM100 million issued under the Green Sub Notes programme have been utilised to invest in green and sustainable projects.

Additionally, HLIB's T&M division actively manages a portfolio of green and sustainable bonds. These investments require approval from the SSC and must comply with the criteria set forth in HLIB's GBF. By financing these projects, HLIB supports the transition to a low-carbon economy while aligning its capital-raising activities with sustainable investment goals. In FY2026, the volume of HLIB's investments classified as green bonds continued to grow.

HLIB's Investments Classified as Green and Sustainable Bonds

Our FY2026 Performance

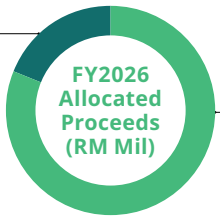
Investments Classified as Green Bonds (RM million)



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

- Sustainable Transportation
- Renewable Energy

65
18% increase compared to FY2025



280
51% increase compared to FY2025

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

HLIB's investment activities aligned with climate-supporting and climate-related opportunities

HLIB's Green Bond Framework outlines eligibility criteria which include **elements of climate resilience across selected sectors**

In FY2026, all **RM345 million** of HLIB's investments classified as green or sustainable **were required to meet respective sector specific eligibility criteria**

HLIB's DM 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.

In FY2026, HLIB successfully raised RM252 million for its clients in the ESG-related segment from existing debt programmes arranged and advised by HLIB. Moving forward, HLIB's DM team has been mandated to advise on the establishment of new debt programmes totalling RM2.5 billion for clients in the solar energy and sustainable forestry sectors.

	FY2025	FY2026
Total sustainability and/or green bonds issuance (RM million)	1,071	**252**

Mandate	Issuer	HLIB's Role	Use of proceeds
RM120 million ASEAN Green SRI Sukuk Wakalah issued under a **RM1 billion** Multi-Currency Islamic MTN Programme	Samaiden Group Berhad	Principal Adviser, Lead Arranger, Lead Manager and Facility Agent	Designated for Shariah-compliant purposes, including funding capital expenditures, working capital, general corporate needs, projects, investments, asset acquisitions, and the repayment or refinancing of existing or future debt.
RM132 million MTN issued under a **RM500 million** ASEAN Green MTN Programme	Exio Logistics Sdn Bhd	Principal Adviser, Lead Arranger, Lead Manager and Facility Agent	To fund the development of state-of-the-art, automated, and sustainable logistics hubs in the City of Elmina, Shah Alam.

SUSTAINABILITY STATEMENT

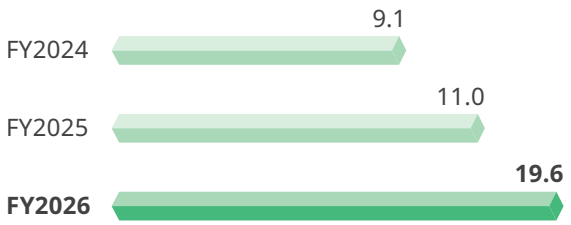
HLIB's ESG Share Margin Financing ("ESG SMF"), introduced in FY2025, allows retail clients to invest in ESG-compliant securities on the FTSE4Good Bursa Malaysia Index on favourable terms, including lower interest rates and higher margins, supporting sustainable and responsible investing. In FY2026, HLIB's ESG SMF portfolio's cumulative facility limit grew by 130%, pointing to a steady demand for innovative ESG investment products.

	FY2025	FY2026
ESG SMF Cumulative Facility Limit (RM million)	5.6[1]	**12.9**

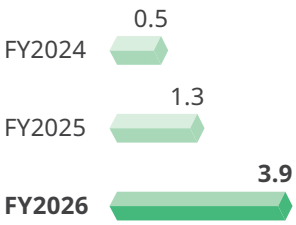
1 Cumulative facility limit approved between April to June 2025

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"). In FY2026, the combined AUM of both ESG funds increased by 91%, reflecting HLAM's commitment to ESG integration, offering investors financial growth while supporting sustainable, ethical development.

HLGESGF AUM (RM mil)



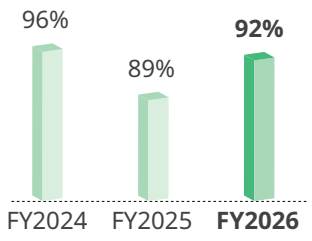
HLGSESGF AUM (RM mil)



The combined AUM for both HLAM's ESG funds **increased by 91%** in FY2026.

Stakeholder awareness drives the growth of sustainable investing and finance. The Group works to educate investors on ESG considerations through a range of channels. HLIB's research team produces sustainability-themed research reports ("ESG snapshots") to raise awareness, while HLAM's research team produces proprietary research reports with ESG integration to support fund managers. Since the ESG research methodology forms part of HLAM's investment decision-making, 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 companies' valuations and financial performance. For more information on the research model refer to page 97.

FBM KLCI Companies under Coverage with HLIB's ESG Snapshot (%)



Beyond research, HLIB actively engages retail, corporate and institutional clients. Our Stockbroking team conducted 459 institutional engagements in FY2026, while the Client Coverage team executed 7 green and climate pitches on sustainable debt instruments—such as Green Bonds/Sukuk and Sustainability-Linked Bonds/Sukuk—to encourage corporations to set sustainability targets and mobilise funding for green initiatives.

SUSTAINABILITY STATEMENT

PART C ISSB STATEMENT

Addressing Climate Change

Sustainability Engagements with Corporate and Institutional Clients in FY2026

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.

In FY2026, 41 sessions were conducted across various sectors.

Market & Thematic Presentations

Broad-based presentations that provide macroeconomic outlooks, sectoral trends, and thematic insights that includes Market Outlook Presentations ("MOP") and webinars on topics ESG-related topics.

In FY2026, 113 sessions were conducted including 4 ESG themed presentations.

Client-Specific Engagements

Highly customised interactions including private requests, corporate access meetings, and conference calls. These engagements are tailored to individual client needs and often involve direct communication or site visits.

In FY2026, 305 sessions were conducted including 13 ESG themed engagements.

In FY2026, **a total of 17 ESG themed** engagements were conducted with HLIB's corporate and institutional clients, representing a **240% increase compared to FY2025.**

	FY2024	FY2025	FY2026
Pitches with green and/or sustainability elements (number)	6	28	**7**

Financial Impacts

FY2026 marks HLCB's first IFRS-aligned disclosure of financial impacts from sustainability-related risks and opportunities. We generated revenue through sustainable investments and products, including an outstanding ESG SMF portfolio balance of RM9.1 million. HLIB's green and sustainable bond portfolio reached a cumulative RM345 million in FY2026. Of this cumulative achievement, RM200 million was invested within the financial year, signifying HLIB's current cash flow impact. Moving forward, our T&M team expects to increase its FY2027 green and sustainable bond investments to RM290.4 million, based on the target of a 10% year-on-year increase compared to the target set for FY2026 which was RM264.0 million.

Financial impacts (RM Million)	Current (FY2026)	Short-Term (FY2027)
Financial Position[1]		
Financial investments at FVTPL—Green/sustainable bonds	20.00	290.40[2]
Financial investments at FVOCI—Green/sustainable bonds	325.00	
Loans and advances—ESG Share Margin Financing Outstanding Balance	9.10	-

Note: For financial performance, revenue from sustainability-linked advisory, underwriting, and fund management activities is deemed private and confidential by HLCB's Senior Management. As a proxy, the Group tracks the following activity indicators: (a) value of sustainable/green bond issuances advised; (b) ESG Share Margin Financing cumulative facility limit; (c) AUM with ESG research integration. These figures represent portfolio size and deal flow, not revenue generated.

1 FY2026 marks the first year for HLCB's disclosure on financial impacts. This list may be non-exhaustive. HLCB has applied the IFRS S1 proportionality mechanism and is committed in building internal capacity to identify more comprehensive financial impacts.

2 Value is based on a target set to increase green and sustainable bond holdings by 10% every financial year.

APPENDIX

GHG METHODOLOGY

Greenhouse gas emissions calculation approach and boundary

HLCB's GHG emissions were calculated using an operational control approach, with its operational boundary covering offices of HLIB, HLAM and HLISAM located in Kuala Lumpur, Penang, Perak and Johor.

HLCB reviews its operational boundaries periodically to ensure any changes due to acquisitions, divestitures or other organisational changes are reflected in the calculation boundary accordingly.

GHG Methodology, Inputs and Assumptions

HLCB calculates its Scope 1, 2 and 3 emissions using an indirect measurement method since direct measurement is not available. The emissions are calculated based on activity data multiplied by relevant emission factors from publications by the Intergovernmental Panel on Climate Change ("IPCC"). The GHGs that are accounted for are carbon dioxide, methane, nitrous oxide and hydrofluorocarbons; converted to carbon dioxide equivalents ("CO_2e") based on their 100-year time horizon Global Warming Potential ("GWP") from the IPCC Sixth Assessment Report. The remaining three GHGs (Nitrogen trifluoride, sulphur hexafluoride and perfluorocarbons) were considered but not accounted for, as they are not emitted in HLCB's reporting value chain.

In alignment with the GHG Protocol, HLCB categorises its greenhouse gas emissions Scope 1, 2, and 3 based on the following sources:

Scope 1	Scope 2	Scope 3
Direct GHG emissions originating from sources that are under the ownership or operational control of HLCB. These include emissions from fugitive emissions, mobile and stationary combustion.	Indirect GHG emissions resulting from the consumption of electricity purchased by the organisation. HLCB does not purchase steam, heating or cooling. Hence, these emission sources are excluded.	Other indirect greenhouse gas emissions not encompassed by Scopes 1 and 2, specifically including employee commuting, business travel, and financed emissions.

The methodologies, inputs and assumptions used for each emission scopes are as follows:

Scope	Methodology and assumptions	Activity data	Emission factors
Scope 1			
Mobile combustion	Direct emissions from vehicles owned by HLCB.	Invoices from fuel purchase	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Stationary combustion	Direct emissions from generators owned by HLCB.	Invoices from fuel purchase	
Fugitive emissions	Activity data based on refrigerant gas purchase and servicing records.	Maintenance invoice from third-party vendors	IPCC Sixth Assessment Report 2021 (AR6)
Scope 2			
Purchased electricity	Indirect emissions from electricity purchased and consumed by HLCB.	Electricity consumption bills	Grid Emission Factor in Malaysia, Suruhanjaya Tenaga
Scope 3			
Business travel	Indirect emissions from business travel using cars, buses, trains and flights.	Invoices from travel expenses submitted by employees	Department of Energy Security and Net Zero, UK. Average petrol consumption taken from Malaysia Stocktaking Report on Sustainable Transport and Climate Change
Employee commuting	Indirect emissions from employee commuting, covering cars, motorcycles, buses and trains.	Employee commuting survey	2006 IPCC Guidelines for National Greenhouse Gas Inventories

APPENDIX

Scope 3: Financed Emissions

HLCB follows the methodologies and assumptions recommended by PCAF Standard during the calculation of financed emissions.

Scope	Methodology and assumptions
Region and Entity	Covers HLCB's operations in Malaysia, including its subsidiaries HLIB, HLAM and HLISAM.
Listed Equity and Corporate Bonds	Inclusive of instruments classified as Fair Value Through Other Comprehensive Income, Fair Value Through Profit or Loss and amortised cost.
Sovereign Debt	Sovereign debt inclusive of Malaysian government bonds held by HLCB.
Data Quality Classification	HLCB assigns data quality scores aligned with PCAF's data quality score table.
Recalculation threshold	HLCB's baseline and historical financed emissions data will be recalculated if there is a ± 5% change in absolute gross financed emissions.

Asset Class 1: Listed Equity and Corporate Bonds

HLCB adopts Bursa Malaysia's sectoral classification to categorise its investment and align its methodology. Publicly available data from credible external data vendors and official company communications is used where possible, with sector-specific proxy data applied when primary data is unavailable.

Calculation of HLCB's absolute gross Asset Class 1 financed emissions:

$$\text{Financed Emissions} = \sum_{i=1}^{n} \textit{(Investment Value/ Outstanding Amount)} \times \frac{\textit{Company Scope 1,2 and 3 Emissions}^{i}}{\textit{Company Enterprise Value Including Cash}^{i}}$$

Asset Class 7: Sovereign Debt

HLCB's methodology for financed emissions arising from sovereign debt draws on purchasing power parity adjusted gross domestic product ("PPP-adjusted GDP") data from the World Bank repository, in units of international dollars. Only Scope 1 emissions from sovereign debt are accounted for. The gross financed emissions are disaggregated between values including Land Use, Land Use Change and Forestry ("LULUCF") and values without LULUCF.

Calculation of HLCB's absolute gross Asset Class 7 financed emissions:

$$\text{Financed Emissions} = \sum_{i=1}^{n} \textit{(Current Investment Value}_{i}\textit{)} \times \frac{\textit{Country GHG emissions - disaggregate with \& without LULUCF}}{\textit{Country PPP-adjusted GDP}}$$

APPENDIX

Material Topic Definitions

HLCB has consolidated its material matters from 17 to 10 following the completion of the DMA. The following represents HLCB's definition of its material matters.

Material Matters	Definitions
Climate Resilience	Managing our environmental footprint while integrating climate-related risks and opportunities into our strategies, business operations and value chain to facilitate a just and seamless transition towards a low-carbon economy.
Sustainable Products & Services	Providing sustainable products and services that progressively integrate ESG factors, including advisory, margin financing, sustainable investing, bond issuance and fund management processes, thus supporting the transition towards a lower-carbon economy.
Good Governance & Ethical Business Conduct	Committed to conducting our business professionally, while upholding sound risk management practices and the highest standards of ethics, integrity, transparency and accountability, in order to maintain stakeholders' trust in the organisation.
Sustainable Supply Chain	Upholding sustainable procurement principles via robust supplier policies, whilst also promoting local procurement.
Human & Labour Rights	Upholding human and labour rights in our business, promoting fair labour practices including employee wellbeing, health and safety, and fostering a diverse and inclusive workplace where all employees are treated equally and without discrimination through effective policies and processes.
Social Enterprises and Communities	Enabling the accessibility of affordable financial services to all segments of society, promoting financial literacy and developing strategic partnerships with communities through empowerment programmes, thus creating long-term environmental and social impact and improving financial wellbeing for underserved communities across our operations.
Customer and Client Experience	Embedding a customer and client-centric culture within the organisation by utilising advanced data analytics and digital systems to create innovative products that meet customer needs, improve end-to-end customer and client experience and satisfaction, and enhance accessibility, leading to increased customer and client retention.
Privacy, Data Protection & Cybersecurity	Protecting employees' and customers' data from unauthorised access, cyber attacks and threats via responsible collection, handling, storage and protection of personal and proprietary data.
Talent Development and AI-Readiness	Investing in talent attraction, development and retention to cultivate a pool of high-quality talent, while fostering a growth mindset, advancing upskilling in AI and emerging technologies to ensure adaptability in an evolving business and technological landscape.
Sustainability-Driven Culture	Establishing a corporate culture that embraces and promotes sustainable practices, values, and behaviours throughout the organisation (e.g. encouraging employee volunteerism and implementing ESG capacity-building programmes).

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 2025 to 30 June 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Disclosure	Chapter	Section/Sub-section	Page Number
GRI 2: General Disclosures			
GRI 2-1 Organizational Details	Introduction	About this Report, Reporting Scope and Boundaries	2-5, 27-29
GRI 2-2 Entities included in the organization's sustainability reporting	Introduction	Reporting Scope and Boundaries	29
GRI 2-3 Reporting period, frequency and contact point	Introduction	Reporting Scope and Boundaries	27
GRI 2-5 External assurance	Introduction	Board Approval and External Assurance	31, 116-122
GRI 2-6 Activities, value chain and other business relationships	Introduction	About Hong Leong Capital	3-5, 29
GRI 2-7 Employees	Strengthening Internal Capabilities	Diversity, Inclusion And Wellbeing	60-61
GRI 2-8 Workers who are not employees	Strengthening Internal Capabilities	Diversity, Inclusion And Wellbeing	61
GRI 2-9 Governance structure and composition	Our Approach to Sustainability	Sustainability Governance Structure	38-41
GRI 2-13 Delegation of responsibility for managing impacts	Our Approach to Sustainability	Sustainability Governance Structure	39-40
GRI 2-14 Role of the highest governance body in sustainability reporting	Our Approach to Sustainability	Sustainability Governance Structure	38
GRI 2-16 Communication of critical concerns	Our Approach to Sustainability	Sustainability Governance Structure	38
GRI 2-17 Collective knowledge of the highest governance body	Our Approach to Sustainability	Board and Senior Management Sustainability Experience, KPI and Remuneration	41-42

GRI CONTENT INDEX

GRI Disclosure	Chapter	Section/Sub-section	Page Number
GRI 2: General Disclosures			
GRI 2-18 Evaluation of the performance of the highest governance body	Our Approach to Sustainability	Board and Senior Management Sustainability Experience, KPI and Remuneration	42
GRI 2-19 Remuneration policies	Our Approach to Sustainability	Board and Senior Management Sustainability Experience, KPI and Remuneration	42
GRI 2-20 Process to determine remuneration	Our Approach to Sustainability	Board and Senior Management Sustainability Experience, KPI and Remuneration	42
GRI 2-22 Statement on sustainable development strategy	Our Approach to Sustainability	Sustainability Framework	33
GRI 2-23 Policy commitments	Embedded throughout report	-	31, 44, 47, 51, 61-63, 65
GRI 2-26 Mechanisms for seeking advice and raising concerns	Engaging on Sustainability	Whistleblowing Policy and Procedures	65
GRI 2-28 Membership associations	Introduction	Membership and Associations	31
GRI 2-29 Approach to stakeholder engagement	Our Approach to Sustainability	Stakeholder Engagement	33-34
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	Our Approach to Sustainability	Double Materiality Assessment	35-36
3-2 List of material topics	Appendix	Material topic definitions	105
3-3 Management of material topics	Embedded througout report	*Please refer to the "Our Approach" sections for each material topic throughout the report*	-

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GRI Disclosure	Chapter	Section/Sub-section	Page Number
GRI 201: Economic Performance (2016)			
201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change	Climate Resilience	75-79, 92
GRI 203: Indirect Economic Impacts (2016)			
203-1 Infrastructure investments and services supported	Addressing Climate Change	Climate Resilience	75-79
	Engaging on Sustainability	Social Enterprises and Communities	70-71
GRI 204: Procurement Practices (2016)			
204-1 Proportion of spending on local suppliers	Engaging on Sustainability	Sustainable Supply Chain	68
GRI 205: Anti-corruption (2016)			
205-1 Operations assessed for risks related to corruption	Engaging on Sustainability	Good Governance and Ethical Business Conduct	64
205-2 Communication and training about anti-corruption policies and procedures	Engaging on Sustainability	Good Governance and Ethical Business Conduct	64
205-3 Confirmed incidents of corruption and actions taken	Engaging on Sustainability	Good Governance & Ethical Business Conduct	64
GRI 301: Materials (2016)			
301-1 Materials used by weight or volume	Impactful Digitalisation	Accessibility via Diverse Digital Services	54
GRI 302: Energy (2016)			
302-1 Energy Consumption within the organization	Addressing Climate Change	Monitoring our Environmental Footprint	90-91
302-4 Reduction of energy consumption	Addressing Climate Change	Monitoring our Environmental Footprint	90-91

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GRI Disclosure	Chapter	Section/Sub-section	Page Number
GRI 303: Water and Effluents (2018)			
303-5 Water consumption	Addressing Climate Change	Managing Water Consumption	91
GRI 305: Emissions (2016)			
305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change	Monitoring our Operational GHG Emissions	86
305-2 Energy Indirect (Scope 2) GHG emissions	Addressing Climate Change	Monitoring our Operational GHG Emissions	87
305-3 Other indirect (Scope 3) GHG emissions	Addressing Climate Change	Monitoring our Financed Emissions	88
305-5 Reduction of GHG emissions	Addressing Climate Change	Monitoring our Operational GHG Emissions	86-88
GRI 306: Waste (2020)			
306-3 Waste generated	Addressing Climate Change	Waste Management	91-92
306-4 Waste diverted from disposal	Addressing Climate Change	Waste Management	91-92
306-5 Waste directed to disposal	Addressing Climate Change	Waste Management	91-92
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover	Strengthening Internal Capabilities	Diverse and Inclusive Workforce	61
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61
403-2 Hazard identification, risk assessment, and incident investigation	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61
403-3 Occupational health services	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61

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GRI Disclosure	Chapter	Section/Sub-section	Page Number
GRI 403: Occupational Health and Safety 2018			
403-5 Worker training on occupational health and safety	Strengthening Internal Capabilities	Prioritising Health, Safety, and Wellbeing	61
403-6 Promotion of worker health	Strengthening Internal Capabilities	Ensuring Fair Compensation and Benefits	61
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61
403-8 Workers covered by an occupational health and safety management system	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61
403-9 Work-related injuries	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61
403-10 Work-related ill health	Strengthening Internal Capabilities	Prioritising Health, Safety and Wellbeing	61
GRI 404: Training and Education (2016)			
404-1 Average hours of training per year per employee	Strengthening Internal Capabilities	Investing in Robust Training Programmes	58
404-2 Programs for upgrading employee skills and transition assistance programs	Strengthening Internal Capabilities	Capacity Building for a Sustainability-Driven Culture	62
404-3 Percentage of employees receiving regular performance and career development reviews	Strengthening Internal Capabilities	Talent Attraction, Development, and Retention	59
GRI 405: Diversity and Equal Opportunity (2016)			
405-1 Diversity of governance bodies and employees	Our Approach to Sustainability	Sustainability Governance	40-41

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GRI Disclosure	Chapter	Section/Sub-section	Page Number
GRI 406: Non-Discrimination (2016)			
406-1 Incidents of discrimination and corrective actions taken	Strengthening Internal Capabilities	Diverse and Inclusive Workforce	60
GRI 417: Marketing and Labeling (2016)			
417-1 Requirements for product and service information and labeling	Strengthening Internal Capabilities	Fair Treatment of Financial Consumers	66
GRI 418: Customer Privacy (2016)			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Impactful Digitalisation	Privacy, Data Protection & Security	52

IFRS S2 CONTENT INDEX

Indicator	Recommended Disclosures	Section/Sub-section	Page Number
Governance			
6 (a)	*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*		
6 (a) (i)	How responsibilities for climate-related risks and opportunities are reflected in terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	Sustainability Governance Structure	38
6 (a) (ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Board And Senior Management Sustainability Experience, KPI And Remuneration	41-42
6 (a) (iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.		43
6 (a) (iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Climate Resilience, Trade-Offs	79
		Sustainable Products and Services, Trade-Offs	94
6 (a) (v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies	Sustainability Governance Structure	38-39
		Board And Senior Management Sustainability Experience, KPI And Remuneration	42
6 (b)	To achieve this objective, an entity shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about		
6 (b) (i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Sustainability Governance Structure	38-39
6 (b) (ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Identifying Climate-Related Risks and Opportunities	74
		Monitoring Climate-Related Risks and Opportunities	74
Strategy			
10	*An entity shall disclose information that enables users of general-purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:*		
10 (a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Climate Resilience, Business Model and Value Chain Impact	75-78 93-94
10 (b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	Sustainable Products and Services, Business Model and Value Chain Impact	75-78 93-94
10 (c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.		75-78 93-94
10 (d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Basis of Preparation	28
13	*An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:*		
13 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	Climate Resilience, Effects on Strategy, and Decision Making, Current Impacts, Anticipated Impacts	79-83
		Sustainable Products and Services, Effects on Strategy, and Decision Making, Current Impacts, Anticipated Impacts	95-99
13 (b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Resilience, Effects on Strategy, and Decision Making, Current Impacts, Anticipated Impacts	79-83
		Sustainable Products and Services, Effects on Strategy, and Decision Making, Current Impacts, Anticipated Impacts	95-99
14	*An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:*		
14 (a)	*Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:*		
14 (a) (i)	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water- intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments).	Climate Resilience, Effects on Strategy, and Decision-Making	79-83 95-99
14 (a) (ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications).		79-83 95-99
14 (a) (iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains).		79-83 95-99
14 (a) (iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies.	Sustainable Products and Services, Effects on Strategy, Management Approach and Decision-Making	79-83 95-99
14 (a) (v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	Climate Resilience, Effects on Strategy, and Decision-Making	79-83
15	*An entity shall disclose information that enables users of general-purpose financial reports to understand:*		
15 (a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
15 (b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
16	*Specifically, an entity shall disclose quantitative and qualitative information about:*		
16 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
16 (b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Based on current estimates, no material adjustment to reported assets and liabilities is expected within the next 12 months.	
16 (c) (i)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to;	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
16 (c) (ii)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its planned sources of funding to implement its strategy; and	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
16 (d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation)	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
22 (a)	*The entity's assessment of its climate resilience as at the reporting date, which shall enable users of general-purpose financial reports to understand:*		
22 (a) (i)	The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	Climate Resilience, Effects on Strategy, and Decision Making, Current Impacts, Anticipated Impacts	79-83
22 (a) (ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience.	Judgements and Measurements of Uncertainty	30

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Indicator	Recommended Disclosures	Section/Sub-section	Page Number
Strategy			
22 (b) (i)	*How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including:*		
22 (b) (i) (1)	Which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	Integrating Scenario Analysis	81-82
22 (b) (i) (2)	Whether the analysis included a diverse range of climate-related scenarios;	Integrating Scenario Analysis	81-82
22 (b) (i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Integrating Scenario Analysis	81-82
22 (b) (i) (4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Integrating Scenario Analysis	
22 (b) (i) (6)	The time horizons the entity used in the analysis; and	Integrating Scenario Analysis	
22 (b) (ii)	*How and when the climate-related scenario analysis was carried out, including the key assumptions the entity made in the analysis, including assumptions about:*		
22 (b) (ii) (1)	Climate-related policies in the jurisdictions in which the entity operates;	Integrating Scenario Analysis	81-82
22 (b) (ii) (2)	Macroeconomic trends;	Integrating Scenario Analysis	81-82
22 (b) (ii) (3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);	Integrating Scenario Analysis	81-82
22 (b) (ii) (4)	Energy usage and mix; and	Integrating Scenario Analysis	81-82
22 (b) (ii) (5)	Developments in technology	Integrating Scenario Analysis	81-82
Strategy			
25	*The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:*		
25 (a) (i)	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Identifying Climate-Related Risks and Opportunities	74
25 (a) (iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Financial Materiality Assessment	73
25 (a) (iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk;	Identifying Climate-Related Risks and Opportunities	74
25 (a) (v)	How the entity monitors climate-related risks;	Monitoring Climate-Related Risks and Opportunities	74
25 (a) (vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period.	No material changes	
25 (b)	An entity shall disclose information about 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.	Financial Materiality Assessment	73
25 (c)	An entity shall disclose information about 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.	Financial Materiality Assessment	73
Metrics and Targets			
29 (a)	*An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gas — the entity shall:*		
29 (a) (i)	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as: • Scope 1 greenhouse gas emissions. • Scope 2 greenhouse gas emissions. • Scope 3 greenhouse gas emissions.	HLCB's Operational GHG Emissions	85-88
29 (a) (ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions.	Reporting Boundaries For GHG Emissions	103
29 (a) (iii)	The approach used to measure greenhouse gas emissions including: • The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions. • The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions. • Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes."	Appendix, GHG Methodology	103-104
29 (a) (iv)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between: • The consolidated accounting group. • Other investees excluded from paragraph 29(a)(iv)(1) (for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries)."	HLCB's Operational GHG Emissions	85-88
29 (a) (v)	Location-based Scope 2 greenhouse gas emissions, and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	HLCB's Operational GHG Emissions	87-88
29 (a) (vi)	For Scope 3 greenhouse gas emissions disclosed: • The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)."	HLCB's Operational GHG Emissions	88
	• (2) Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.	HLCB's Financed Emissions	84-85
29 (b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Integrating Scenario Analysis	81-82
29 (c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Integrating Scenario Analysis	81-82
29 (d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.	HLIB's investment activities aligned with climate-supporting and climate-related opportunities	100
		HLAM's assets or business activities aligned with climate-supporting and climate-related opportunities	98
29 (e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Resilience, Financial Impacts	92
		Sustainable Products and Services, Financial Impacts	102
29 (g)	*An entity shall disclose information relevant to the cross-industry metric categories of remuneration prices— the entity shall;*		
29 (g) (i)	A description of whether and how climate-related considerations are factored into executive remuneration.	Board And Senior Management Sustainability Experience, KPI And Remuneration	42
29 (g) (ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	Board And Senior Management Sustainability Experience, KPI And Remuneration	42
33	*An entity shall disclose the qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:*		
33 (a)	The metric used to set the target.	Climate Resilience, Metrics and Targets	83
33 (c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).	Climate Resilience, Metrics and Targets	83
33 (d)	The period over which the target applies.	Climate Resilience, Metrics and Targets	83
33 (e)	The base period from which progress is measured.	Climate Resilience, Metrics and Targets	83
33 (f)	Any milestones and interim targets.	Climate Resilience, Metrics and Targets	83
33 (g)	If the target is quantitative, whether it is an absolute target or an intensity target.	Climate Resilience, Metrics and Targets	83
34	*An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target*		
34 (c)	The metrics used to monitor progress towards reaching the target.	Climate Resilience, Metrics and Targets	83
34 (d)	Any revisions to the target and an explanation for those revisions.	No revisions of targets in FY2026	
35	*An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.*		
36 (b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Climate Resilience, Metrics and Targets	83
36 (c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	Climate Resilience, Metrics and Targets	83

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Topic	Metric	Code	Chapter	Section/ Sub-section	Page Number
Transparent Information & Fair Advice for Customers	Description of approach to informing customers about products and services	FN-AC-270a.3	Engaging on Sustainability	Fair Treatment of Financial Consumers	66
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	Diversity, Inclusion and Wellbeing	60-61
Incorporation of Environmental, Social, and Governance	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	Addressing Climate Change	Sustainable Products and Services, Effects on Strategy, Management Aproach and Decision-Making	97-101
Factors in Investment Management & Advisory	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	FN-AC-410a.2	Addressing Climate Change	Sustainable Products and Services, Effects on Strategy, Management Aproach and Decision-Making	97-101
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Addressing Climate Change	Sustainable Products and Services, Effects on Strategy, Management Aproach and Decision-Making	98
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	Climate Resilience, HLCB's Operational GHG Emissions	85-88
	Percentage of total assets under management (AUM) included in the financed emissions calculation	FN-AC-410b.3	Addressing Climate Change	Climate Resilience, HLCB's Financed Emissions	84-85
	Description of the methodology used to calculate financed emissions	FN-AC-410b.4	Appendix	GHG Methodology, Scope 3: Financed Emissions	103-104
Business Ethics	Description of whistleblower policies and procedures	FN-AC-510a.2 FN-IB-510a.2	Engaging on Sustainability	Whistleblowing Policy and Procedures	65
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	Diversity, Inclusion and Wellbeing	60-61

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Topic	Metric	Code	Chapter	Section/ Sub-section	Page Number
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	FN-IB-410a.2	Addressing Climate Change	Sustainable Products and Services, Effects on Strategy, Management Aproach and Decision-Making	97-101
	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	FN-IB-410a.3	Addressing Climate Change	Sustainable Products and Services, Effects on Strategy, Management Aproach and Decision-Making	97-101
Professional Integrity	Number 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-IB-510b.1 FN-AC-270a.1		1	
	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	FN-IB-510b.2		0	
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	Engaging on Sustainability	Compliance Culture	63-64
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-IB-550a.1		N/A	
	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	Integrating Scenario Analysis	81-82
Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1		17%	
	Percentage of variable remuneration of MRTs to which malus or clawback provisions were applied	FN-IB-550b.2		30%	

INDEPENDENT ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

To: The Board of Directors and Stakeholders of HONG LEONG CAPITAL BERHAD

Introduction and Objectives of Work

BUREAU VERITAS CERTIFICATION (M) SDN. BHD. ("Bureau Veritas") has been engaged by **HONG LEONG CAPITAL BERHAD** ("HLCB") to provide independent limited assurance over selected sustainability information for the reporting period from **1 July 2025** to **30 June 2026** ("FY2026"). The selected information is presented in Hong Leong Capital Berhad **Sustainability Report 2026**.

The objective of the engagement is to express a limited assurance conclusion on whether the Selected Sustainability Information described below has been prepared, presented, in all material respects, in accordance with the applicable reporting criteria.

Scope of Work

The engagement covers the following quantitative and qualitative **FY2026** information, including the related definitions, methodologies, boundaries, assumptions, and explanatory notes necessary to understand that information (collectively, the "Selected Sustainability Information". The exact assured items are those identified in the final approved subject-matter and criteria matrix and tied to the controlled final report, further detailed in Appendix A1.

Reporting Boundary

The organisational boundary comprises Hong Leong Capital Berhad and the reporting subsidiaries: Hong Leong Investment Bank Berhad; Hong Leong Asset Management Berhad; and Hong Leong Islamic Asset Management Sdn. Bhd., subject to the final boundary applicable to each selected item.

Certain selected environmental information applies only to specified sites. In particular, the verified waste boundary covers Hong Leong Tower and Plaza Zurich, with other offices or branches excluded where complete measurement methods are being established. Each selected item must be read with its stated entity, site, employee, or other operational boundary.

Applicable Reporting Criteria

The criteria used to evaluate the Selected Sustainability Information (the "Criteria") comprise HLCB's stated definitions, organisational and operational boundaries, consolidation and cut-off rules, measurement bases, calculation methodologies, assumptions, estimates, unit-conversion conventions, and presentation bases, as set out in the controlled final report and the final controlled methodology and calculation records. The Criteria also include, only where expressly mapped to a selected item:

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- the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) applicable to the selected topics and adopted by HLCB;
- Bursa Malaysia sustainability reporting requirements and guidance applicable to the reporting period;
- IFRS S1 and IFRS S2 only to the extent expressly mapped to a selected item;
- the GHG Protocol Corporate Accounting and Reporting Standard for selected Scope 1 and Scope 2 information; and
- the controlled HLCB definitions, emission factors, calculation methods, and source records identified for each selected item.

The entity-developed components of the Criteria were prepared for the information needs of HLCB's intended stakeholders. Consequently, the Selected Sustainability Information may not be suitable for another purpose.

Responsibilities

Management of HLCB is responsible for measuring or evaluating the underlying sustainability subject matter against the Criteria and for preparing and fairly presenting the Selected Sustainability Information. Management is also responsible for the other information in the report.

Bureau Veritas' responsibility is to perform the engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement based on the work performed and evidence obtained.

Limitations and Exclusions

The engagement did not extend to the sustainability disclosure as a whole or to information not expressly included in the final approved subject-matter and criteria matrix.

The following limitations should be noted:

- Non-financial sustainability information is subject to inherent limitations arising from the nature of the information and the methods used to measure, estimate, calculate, or evaluate it.
- Assumptions, estimates, allocations, emission factors, and other accepted measurement techniques may affect comparability between entities and reporting periods.
- Our conclusion relates only to the Selected Sustainability Information and does not constitute an opinion on the design or operating effectiveness of internal controls, overall sustainability performance, strategy, achievement of targets, or future performance.
- The engagement does not constitute an audit of financial statements, prudential or regulatory reporting, capital adequacy, credit risk, liquidity, solvency, insurance liabilities,

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Shariah governance or internal controls over financial reporting, except to the extent that a specific item is expressly included in the Selected Sustainability Information.

Methodology

The engagement included an on-site verification session on 14 August 2026, and follow-up evidence review reflected in the reconciled findings log through 26 August 2026. The nature, timing, and extent of procedures were determined by the assessed risks of material misstatement. The procedures performed included, as applicable:

- reviewing the engagement scope, reporting period, Selected Sustainability Information, reporting boundaries and Criteria;
- assessing the suitability and consistent application of definitions, measurement bases, consolidation and cut-off rules, calculation methods, and significant assumptions relevant to the selected information;
- conducting interviews and process walkthroughs with personnel responsible for preparing, reviewing, and approving the selected information;
- obtaining an understanding of the systems, processes, and selected controls used to collect, compile, review, and report the selected information;
- performing risk-based tests of selected source records, system extracts, registers, and controlled workbooks to assess completeness, accuracy, cut-off, classification, and traceability;
- reperforming selected formulae, aggregations, rates, percentages, conversions and consolidation steps, and investigating identified variances or corrections;
- assessing evidence supporting nil, zero, and not-applicable disclosures across the relevant reporting channels and populations;
- reviewing controlled environmental, procurement, community, Board, workforce, compliance, privacy and cybersecurity evidence, and tracing selected items to the related disclosures;
- for selected energy and greenhouse gas information, assessing source completeness, activity data, Scope 1 and Scope 2 classification, factors, units, assumptions, boundaries, and selected calculations within the ISAE 3000 (Revised) engagement; and
- tracking agreed corrections and reconciling the final controlled information to its presentation in the report, together with obtaining written representations from management.

Assurance Standards and Level

We conducted the engagement in accordance with **International Standard on Assurance Engagements (ISAE) 3000 (Revised)**, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and for the selected greenhouse gas information, **International Standard on Assurance Engagements (ISAE) 3410**, Assurance Engagements on Greenhouse Gas Statements. These standards require us to plan and perform the engagement to obtain sufficient appropriate evidence for a limited assurance conclusion.

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Inherent Limitations

The engagement was planned and performed using a risk-based approach. Misstatements, including omissions and inappropriate presentation, are considered material if they could reasonably be expected, individually or in aggregate, to influence decisions of intended users made on the basis of the Selected Sustainability Information. Materiality was considered using quantitative and qualitative factors appropriate to each selected item, including the nature of the information, stakeholder sensitivity, legal or regulatory significance, boundary and estimation uncertainty, and the risk that a nil, zero, or not-applicable value could be misleading.

Conclusion

The procedures described above were completed, including resolution of the findings arising from the engagement, reconciliation of the final controlled information to its presentation in the report and receipt of management's written representations. We consider the evidence obtained sufficient and appropriate to provide a basis for our limited assurance conclusion.

Based on the procedures performed and the evidence obtained, **nothing has come to our attention that causes us to believe** that HLCB's Selected Sustainability Information for FY2026 has not been prepared and presented, in all material respects, in accordance with the Criteria described in this statement.

This independent limited assurance statement should not be relied upon to detect all errors, omissions, or misstatements that may exist.

Note: *Appendix A1 details the indicators and figures within the scope of our limited assurance.*

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company specialising in quality, health, safety, social, and environmental management. Bureau Veritas Certification (M) Sdn. Bhd. applies the Bureau Veritas Group system of quality management for assurance engagements, including policies and procedures concerning ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the Bureau Veritas Code of Ethics and applicable independence and impartiality requirements. No member of the assurance team has a business relationship with Hong Leong Capital Berhad, its Directors or Managers beyond that required for this engagement, and no conflict of interest was identified. The engagement team has the appropriate competence and experience in sustainability assurance, relevant environmental and social information, data systems, and assurance methodology to perform this limited assurance engagement.

Bureau Veritas complied to ISO 17021–1:2015 Conformity assessment – Requirements for bodies providing audit and certification of management systems where it has founded the principle of

INDEPENDENT ASSURANCE STATEMENT

independence of assessor, competency, impartiality, confidentiality, and assessor professional behaviour.

Bureau Veritas was not involved in preparing the Selected Sustainability Information. This independent assurance opinion statement has been prepared for the stakeholders of Hong Leong Capital Berhad only for the purpose of verifying its statement relating to the Scope detailed above.

Restriction of Liability

This independent assurance statement has been prepared for Hong Leong Capital Berhad for inclusion in its HLCB FY2026 sustainability disclosure and for the information of its intended stakeholders. It relates only to the Selected Sustainability Information described in this statement. The statement should not be reproduced in part of used for another purpose without the prior written consent of Bureau Veritas.

Our responsibility for the engagement and this statement is to Hong Leong Capital Berhad in accordance with the terms of our engagement; we do not assume or accept responsibility or liability to anyone other than Hong Leong Capital Berhad, for our work, for this report, or for the conclusion we have reached. We do not accept responsibility to any other party except where expressly agreed in writing.

For and on behalf of Bureau Veritas Certification (M) Sdn. Bhd.

Issue Date: 21 September 2026

Terence Ang Wai Sheng
Sustainability Manager

Bureau Veritas Certification (M) Sdn. Bhd.
Level 19, CIMB Hub
No. 26, Jalan Sultan Ismail, 50250,
Kuala Lumpur, MALAYSIA

INDEPENDENT ASSURANCE STATEMENT

Appendix A1 – Details of HLCB's Key Data FY2026

Key Performance Indicators	Units	Values
Emissions Management		
Scope 1 emissions	tCO_2e	25.92
Scope 2 emissions	tCO_2e	506.37
Energy Management		
Total energy consumption	GJ	2,896.01
Water Management		
Total volume of water used	Megalitres	3.62
Waste Management		
Total waste generated	Metric tonnes	10.79
Total waste diverted from disposal	Metric tonnes	1.00
Total waste directed to disposal	Metric tonnes	9.79
Percentage of employees who have received training on anti-corruption by employee category		
Supervisory	%	99.43
Non-Supervisory	%	100.00
Percentage of operations assessed for corruption related risks	%	100.00
Confirmed incidents of corruption and action taken	Number	0.00
Community / Society		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	103,020.70
Total number of beneficiaries of the investment in communities	Number	1,158.00
Percentage of directors by gender and age group		
Male	%	40.00
Female	%	60.00
< 60 years old	%	0.00
60 – 70 years old	%	100.00
> 70 years old	%	0.00
Percentage of employees by gender and age group, for each employee category		
Senior Managerial		
Male	%	66.67
Female	%	33.33
< 30 years old	%	0.00
30 – 50 years old	%	49.12
> 50 years old	%	50.88
Managerial		

INDEPENDENT ASSURANCE STATEMENT

Male	%	42.50
Female	%	57.50
< 30 years old	%	6.00
30 – 50 years old	%	73.00
> 50 years old	%	21.00
Supervisory		
Male	%	42.01
Female	%	57.99
< 30 years old	%	56.88
30 – 50 years old	%	27.88
> 50 years old	%	15.24
Non-Supervisory		
Male	%	81.82
Female	%	18.18
< 30 years old	%	9.09
30 – 50 years old	%	45.45
> 50 years old	%	45.45
Health and Safety		
Number of work-related fatalities	Number	0.00
Lost Time Incident Rate ("LTIR")	Rate	0.00
Number of employees trained on health and safety standards	Number	14.00
Labour Practices and Standards		
Total hours of training by employee category		
Supervisory	Hours	14,687.90
Non-Supervisor	Hours	206.30
Percentage of employees that are contractors or temporary staff	%	3.35
Supply Chain Management		
Proportion of spending on local suppliers	%	89.00
Data Privacy and Security		
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Number of substantiated leaks, thefts, or losses of customer data	Number	0
Number of substantiated cybersecurity breaches	Number	1

HONG LEONG CAPITAL BERHAD

IFRS S2

Date & Time: 2026-09-22_16:13:50

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Climate Resilience	Scope 1 Emissions	Metric Tons of Carbon Dioxide Equivalents (tCO2e)	38.34	25.92	Short-term target of 15% to 25% reduction in total absolute Scope 1 & Scope 2 GHG emissions by FY2026 from a FY2019 baseline.	External (Limited)	In FY2026, we successfully achieved 29.7% reduction in total absolute Scope 1 & Scope 2 GHG emissions compared to the FY2019 baseline.
Climate Resilience	Scope 2 Emissions	Metric Tons of Carbon Dioxide Equivalents (tCO2e)	521.18	506.37	Short-term target of 15% to 25% reduction in total absolute Scope 1 & Scope 2 GHG emissions by FY2026 from a FY2019 baseline.	External (Limited)	In FY2026, we successfully achieved 29.7% reduction in total absolute Scope 1 & Scope 2 GHG emissions compared to the FY2019 baseline.
Climate Resilience	Scope 3 Category 6: Business Travel	Metric Tons of Carbon Dioxide Equivalents (tCO2e)	94.93	71.59	—	No assurance	
Climate Resilience	Scope 3 Category 7: Employee Commuting	Metric Tons of Carbon Dioxide Equivalents (tCO2e)	595.31	584.22	—	No assurance	
Sustainable Products and Services	Investments Classified as Green Bonds	RM, million	240	345	264	No assurance	
Sustainable Products and Services	ESG Share Margin Cumulative Facility Limit	RM, million	5.6	12.9	—	No assurance	
Sustainable Products and Services	Assets Under Management for ESG-themed Funds	RM, million	12.3	23.5	—	No assurance	

CORPORATE INFORMATION

DIRECTORS

Tan Kong Khoon *(Chairman)*

Lee Jim Leng

Tai Siew Moi

Leong Ket Ti

Peter Ho Kok Wai

Teh Muy Ch'ng

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 : Sustainable Finance Awards 2026

Best Privatisation

*Organised by **The Asset***

The Asset Triple A : Islamic Finance Awards 2026

Best Sukuk
- Manufacturing

*Organised by **The Asset***

The Asset Triple A : Islamic Finance Awards 2026

Best Sukuk
- Water

*Organised by **The Asset***

The Asset Triple A : Islamic Finance Awards 2026

Best Securitisation Sukuk
- Personal Loans

*Organised by **The Asset***

FinanceAsia Achievement Awards 2025

Beat M&A Deal

*Organised by **FinanceAsia***

19th Annual Best Deal & Solution Awards 2025

Best Local Currency Sukuk in Asia 2025

*Organised by **Alpha Southeast Asia***

Highest Number of New Accounts Opened (Shariah)

Retail Investor Campaign
Sales Force Awards 2025

*Organised by **Bursa Malaysia***

Highest Number of New Accounts Opened

Retail Investor Campaign
Sales Force Awards 2025

*Organised by **Bursa Malaysia***

HONG LEONG ASSET MANAGEMENT BHD

LSEG Lipper Fund Awards 2026 Malaysia Winner - Hong Leong Dividend Fund

Best Equity Malaysia Income
Malaysia Provident Fund Over 10 Years

*Organised by **LSEG Lipper***

BOARD OF DIRECTORS' PROFILE

TAN KONG KHOON

Chairman/Non-Executive/Non-Independent

Singaporean | 69 | 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 ("CEO") of Hong Leong Financial Group Berhad ("HLFG"). He was the Group Managing Director ("GMD")/CEO 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 CEO 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

Malaysian | 63 | 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 HLIB on 9 September 2009 and is presently the GMD/CEO 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 a Council Member of the Malaysian Investment Banking Association (MIBA) and 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

Malaysian | **68** | **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 ("MIA").

Ms Tai has 18 years of experience in the derivatives broking industry. She held the position of Executive Director ("ED") 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

Malaysian | **63** | **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 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 an Independent Non-Executive Director of HLFG, a company listed on the Main Market of Bursa Securities.

BOARD OF DIRECTORS' PROFILE

PETER HO KOK WAI

Non-Executive Director/Independent

Malaysian | **67** | **Male**

Mr Peter Ho Kok Wai is a Chartered Accountant and a member of the MIA, 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, lpoh 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 Non-Executive 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 the Independent Non-Executive Chairman 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.

TEH MUY CH'NG

Non-Executive Director/Independent

Malaysian | **55** | **Female**

Ms Teh Muy Ch'ng holds a Bachelor of Commerce in Accounting from Curtin University of Technology, Australia. She is a Chartered Accountant with the MIA, a Certified Practising Accountant with CPA Australia and a Certified Financial Planner with the Financial Planning Association of Malaysia.

Ms Teh began her career with KPMG Peat Marwick, now known as KPMG PLT, in the audit division before moving into corporate advisory. Over the course of her career with KPMG and its advisory entities, she held progressively senior positions, including Audit Senior, Senior Consultant, Managing Consultant, Associate Director and Director.

Her professional experience covers corporate finance, corporate advisory, cross-border transactions, mergers and acquisitions, restructuring and transaction-related advisory.

She also served as a Corporate Advisory Consultant with Horwath, now known as Crowe Malaysia PLT, before establishing MCT Management Associates, where she practised as a Chartered Accountant.

Following her tenure with KPMG, she assumed an executive leadership role in the private sector, providing strategic advice to the founder and management on investment and business growth initiatives, while overseeing the finance, treasury, accounting, administration, human resource and corporate secretarial functions.

Ms Teh was appointed to the Board of HLCB on 21 September 2026.

Ms Teh is an Independent Non-Executive Director of Unisem (M) Berhad, a company listed on the Main Market of Bursa Securities and Northern Solar Holdings Berhad, a company listed on the ACE Market of Bursa Securities.

Notes:

1. ***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.

2. ***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.

3. ***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 2026.

4. ***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 Hong Leong Capital Berhad ("HLCB")

Malaysian | **63** | **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 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, a public company. She is also a Council Member of the Malaysian Investment Banking Association (MIBA) and 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

Malaysian | **53** | **Female**

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 the 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

Malaysian | **48** | **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 the Head of Treasury & Markets on 28 June 2017 and subsequently re-designated as Executive Vice President, Head of Treasury & Markets on 1 May 2022.

Mr Chong has extensive experience in the banking and financial sectors, with 25 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). His expertise covers corporate finance/recovery, credit rating and across all segments of treasury & market business. He was the pioneering team instrumental 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

Malaysian | **58** | **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 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

Malaysian | **58** | **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.

ALLEN TAN JEE KHIEN

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

Malaysian | **55** | **Male**

Mr Allen 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 Head of Broking, bringing with him over 30 years of experience in the capital markets, with a primary focus on Malaysian equities. Over the course of his extensive career, he has developed profound expertise in stockbroking operations, sales, and trading.

Prior to his tenure at HLIB, he served as Management Advisor/Chief Executive Officer at Apex Securities Berhad. His distinguished professional background also features key roles at Kenanga Investment Bank Berhad, JPMorgan Securities (Malaysia) Sdn Bhd, Maybank Kim Eng Securities (Singapore) Pte Ltd and Maybank Investment Bank Berhad.

KEY SENIOR MANAGEMENT OF THE GROUP

CHUE KWOK YAN

Executive Director/Chief Executive Officer, Hong Leong Asset Management Bhd ("HLAM"), a wholly-owned subsidiary of HLCB

Malaysian | **49** | **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 the 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 2026.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Board Audit and Risk Management Committee ("BARMC") is established to support the Board in discharging the following responsibilities:

(i) Oversee Senior Management's implementation of Hong Leong Capital Berhad's ("HLCB" or the "Company") governance, risk management and internal control framework/policies.

(ii) Ensure Senior Management meets the expectations on risk management.

(iii) Ensure Senior Management has a reliable and transparent financial reporting process within the Company by providing independent oversight of internal and external audit functions.

(iv) Oversee Senior Management's implementation of compliance risk management.

(v) Promote the adoption of sound corporate governance principles based on applicable legislations, regulations and code for the Company and its subsidiaries.

(vi) Oversee the implementation of the Group's sustainability strategies and consider Environmental, Social and Governance ("ESG") issues when reviewing risk management policies as well as oversee progress against goals and targets for addressing climate related issues.

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 in each financial 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"), Head of Compliance, Head of Internal Audit, Chief Financial Officer, other Senior Management, 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 Executive Directors and the Senior Management.

The BARMC will also engage privately with the Head of Compliance, Head of Internal Audit and CRO on a regular basis (and in any case at least once annually) to provide the opportunity for the Head of Compliance, Head of Internal Audit and CRO to discuss issues faced by the 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.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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.

ACTIVITIES

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

During the financial year ended 30 June 2026 ("FY2026"), 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 AND REGULATORY 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 of Bursa Malaysia Securities Berhad.

The BARMC reviewed the Sustainability Statement, Chairman's Statement, Corporate Governance Overview, Risk Management & Internal Control Statement and BARMC Report prior to recommending them to the Board for approval.

EXTERNAL AUDIT

The external auditors of the Group for the FY2026 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 FY2026 amounted to RM607,660, of which RM114,055 was payable in respect of non-audit services. The non-audit services accounted for 19% 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 financial year ending 30 June 2027 and considered PwC to be independent:

(i) level of knowledge, capabilities, experience and quality of previous work;

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(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 FY2026 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 2026 Annual General Meeting.

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 2025, the BARMC endorsed and the Board approved the revised Directors' Conflict of Interest Policy of the Company, which was amended to include the retention period for record maintenance and to expand the consequence management for non-compliance.

There were no conflicts of interest or potential conflicts of interest reported in the FY2026, 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.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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, Information Technology (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 Head of Compliance 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 FY2026, the Whistleblowing Policy and Procedures of the Company were reviewed to ensure the whistleblowing procedures and communication plans in relation thereto remain effective.

SUSTAINABILITY

The BARMC reviewed reports on Management's sustainability initiatives across the Group's business operations to ensure continuous alignment with national policy frameworks, regulatory expectations and international standards, including International Financial Reporting Standards ("IFRS") S1 and S2 requirements.

The BARMC noted HLCB's FTSE4Good ESG rating by FTSE Russell, which improved from 2-star rating in FY2025 to a 4-star rating in FY2026, largely due to a higher rating in the Environmental pillar and also an improvement in the Governance pillar which recorded the highest possible score.

The BARMC endorsed the revised Sustainability Governance Policy to strengthen oversight, clarify roles and integrate climate commitment into the governance structure to align with IFRS S1 standards. The BARMC also reviewed the enhancements to the Net Zero Transition Plan, to align HLCB's initiatives with Malaysia's National Policy on Climate Change 2.0. Additionally, the BARMC endorsed HLCB's Financed Emissions Methodology Paper for bonds and equities, which aligned with the Partnership for Carbon Accounting Financials methodology. To ensure compliance with National Sustainability Reporting Framework and IFRS S1 and S2 guidelines, the BARMC deliberated and endorsed the adoption of a Double Materiality Assessment for the FY2026 Sustainability Statement, integrating both impact materiality and financial materiality.

The BARMC reviewed the Group's monitoring of Greenhouse Gas (GHG) emissions against baseline targets and its tracking against the growth and performance of HLCB's sustainable products and investments.

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.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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 FY2026 was RM2,044,393.

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 2026 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 November 2025. 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; promoting good corporate culture; 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.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

A. ROLES AND RESPONSIBILITIES OF THE BOARD (CONTINUED)

The Board is responsible for promoting 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 Code of Ethics for Directors established by the Company, which is published on the Company's Website. In addition, the Group maintains 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 and published on the Company's Website. It provides a structured channel for all employees, Directors of the Company, and any persons providing services to, 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.

B. BOARD COMPOSITION

The Board currently comprises six (6) Directors, all of whom are Non-Executive whilst four (4) 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 six (6) Directors, of whom four (4) 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 2026, 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.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

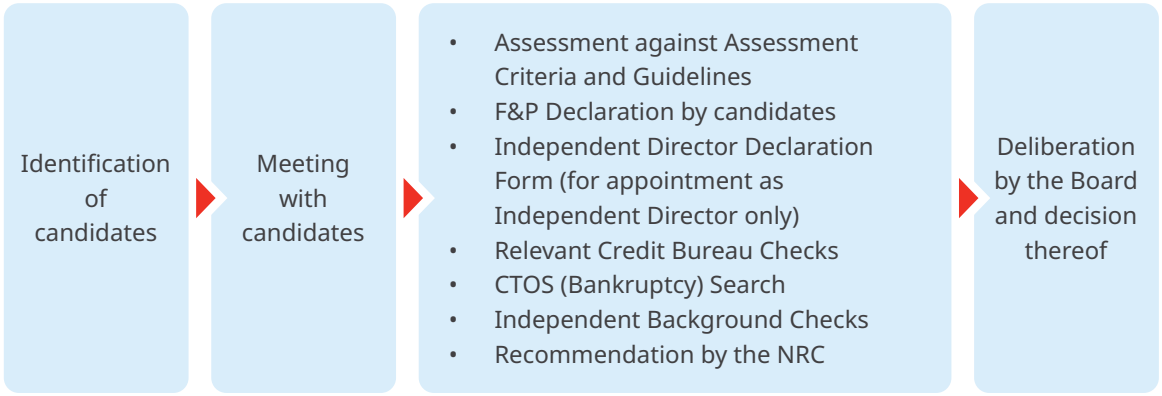
(B) NRC (CONTINUED)

NOMINATION RESPONSIBILITIES

The Company has in place a Fit and Proper ("F&P") Policy for Directors and CEO as a guide for the 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 Directors and CEO, and the criteria and guidelines used for such assessment.

(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.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

(B) NRC (CONTINUED)

(ii) Re-appointments

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

- Assessment against Assessment Criteria and Guidelines
- F&P Declaration
- Independent Director Declaration Form (for Independent Director only)
- Relevant Credit Bureau Checks
- CTOS (Bankruptcy) Search
- Independent Background Checks
- Recommendation by the NRC

→ Deliberation by the Board and decision thereof

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.

(iii) Board Committees Appointments

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

Identification of Directors for Board Committees membership →

- Assessment against Assessment Criteria and Guidelines
- Recommendation by the NRC

→ Deliberation by the Board and decision thereof

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:

- Directors to complete:
  - the Board Annual Assessment Form
  - the F&P Declaration
  - Independent Director Declaration Form (for Independent Director only)
- CEO to complete the F&P Declaration
- Independent Background Checks

→

- Assessment against Assessment Criteria and Guidelines
- Recommendation by the NRC

→ Deliberation by the Board and decision thereof

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

(B) NRC (CONTINUED)

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.

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 of the Company 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 2026 ("FY2026") 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 FY2026, 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

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

C. BOARD COMMITTEES (CONTINUED)

(B) NRC (CONTINUED)

The NRC carried out the following activities in the discharge of its duties in accordance with its TOR during the FY2026:

- 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 MCCG;

- 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 Assessment of 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, the Code of Ethics for Directors, the Board Policy on Succession Planning for Board, the new Standard Operating Procedures for Board Appointments, Re-appointment and Succession Planning, as well as the TOR of the NRC, and recommended them to the Board for consideration and approval;

- Discussed and noted the list of potential successors/alternate person-in-charge for key positions within the subsidiaries; and

- Reviewed the proposed bonus and annual increment of CEO and Senior Officers of the Group.

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 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. 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.

The tenure of all the Independent Directors on the Board of the Company does not exceed 9 years, except for Ms Tai Siew Moi, who is due for retirement by rotation at the forthcoming AGM pursuant to Clause 113 of the Company's Constitution. In accordance with the Tenure Policy of the Company, Ms Tai Siew Moi has expressed her intention not to seek re-election and will accordingly retire from office at the conclusion of the forthcoming AGM. 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.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

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. The Board meets at least four (4) times in each financial year and any 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. 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. Matters arising at Board meetings are decided by a majority of votes. Any Director 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 Board meeting when the material transaction or material arrangement or conflict of interest situation is being deliberated by the Board.

The Board met five (5) times for the FY2026 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

Ms Teh Muy Ch'ng was appointed to the Board after the close of the FY2026 and as such, did not attend any of the Board meetings held during the FY2026.

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.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

E. COMMITMENT (CONTINUED)

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 ("IT"), 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 FY2026, 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 ("AI") 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 FY2026, the Directors of the Company, collectively or on their own, attended various training programmes, seminars, briefings and/or workshops including:

- Allianz Life Insurance Malaysia Berhad – Briefing on Medical and Health Insurance Business
- Allianz Malaysia Berhad ("AMB") – Cybersecurity and Growing Impact of AI
- AMB – Navigating Climate Risk: How Insurance Companies Prepare for it and the Board's Strategic Role
- AMB – Session 1 – Quantum Computing and Impact on Security
- AMB – Updates on Personal Data Protection
- ASEAN Business Advisory Council (ASEAN-BAC) Malaysia – ASEAN Business and Investment Summit 2025
- Asia School of Business ("ASB") – "Climate First.... or Last?"
- ASB – Strategic Approach to Cyber Resilience and Compliance for Board
- Bank Negara Malaysia ("BNM") – Annual Dialogue with CEOs and Chairpersons of Banking Institutions and Industry Partners
- BNM, Securities Commission Malaysia ("SC"), Asian Institute of Chartered Banker, Fintech Association of Malaysia and Malaysia Digital Economy Corporation – MyFintech 2025
- Bursa Malaysia Berhad ("Bursa Malaysia") – Invest Malaysia 2026
- Bursa Malaysia – Invest ASEAN-Malaysia Conference 2025
- CHK Consultancy Sdn Bhd – Ethics and Technology: Mitigating Risks of AI and Fintech in Money Laundering
- Ernst & Young Tax Consultants Sdn Bhd – e-Invoicing for Directors
- Ernst & Young PLT – Double Materiality Training and Focus Session
- Forum Ekonomi Malaysia – Forum Ekonomi Malaysia 2026
- Hong Leong Bank Berhad ("HLB") – Anti-Money Laundering ("AML"), Counter Financing of Terrorism ("CFT") and Targeted Financial Sanctions ("TFS")
- HLB – Data Protection and Banking Secrecy
- HLB – Code of Conduct and Ethics
- HLB – Anti-Bribery and Corruption
- HLB – Fair Treatment to Financial Customer
- HLB – Cyber Security and Cyber Risk Management
- Hong Leong Financial Group Berhad ("HLFG") – AI and Agentic AI
- HLFG – Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Corporate Liability Provision and Guidelines on Adequate Procedures
- HLFG and HLCB Group – Agentic AI in Risk Management
- Hong Leong Foundation – Hong Leong Foundation Mentorship Programme
- Hong Leong Investment Bank Berhad ("HLIB") – AML/CFT/Countering Proliferation Financing and TFS: Driving Compliance Through Innovation and Integration
- Huawei Cloud APAC – Huawei Cloud AI Ecosystem Summit APAC (Accelerate Intelligence, Ignite Smarter ASEAN)
- Innovative Formula Sdn Bhd – Vision and Values
- Institute of Chartered Accountants in England and Wales – Implementing generative AI for data-driven insights
- International Sustainability Standards Board – Sustainability Accounting Standards Board (SASB): Agricultural Products and Meat, Poultry and Dairy

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

E. COMMITMENT (CONTINUED)

- KPMG Malaysia – Investment and Incentives
- KPMG Malaysia – KPMG Tax and Business Summit 2025
- Malaysian Association of Asset Managers – Navigating the Next Cycle: Allocating Capital in an Uncertain World
- Malaysian Institute of Accountants – AI 101
- Malaysia Investment Banking Association ("MIBA") – MIBA Ascent: Elevating Investment Banking Professionals
- PricewaterhouseCoopers Malaysia – Emerging Trends in Sustainability
- SC – ASEAN Capital Markets Forum International Conference 2025
- SC – Bumiputera Rapid Acceleration and Value Enhancement (BRAVE) Induction Programme
- SC – Climate Adaptation and Resilience Conference 2025
- SC – investED for Returning Women Graduation Event - Panel Session: Beyond the Career Break: Journeys Back into the Workforce
- SC – Panel on Leadership in Securities Regulation – Young Regulators Development Programme
- SC and Bursa Malaysia – My Value Up Programme
- Securities Industry Development Corporation – Bumiputera Rapid Acceleration and Value Enhancement (BRAVE) Demo Day (Judge).

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 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 or e-mail 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. : 03-2083 1800
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 2025 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 2025 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.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

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

I THE RESPONSIBILITIES OF THE BOARD (CONTINUED)

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.

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/CEO of HLIB, CEO/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.
- RM 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.

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

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 Group'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.

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 FY2026, 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 2026

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 2026.

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	65,569	49,707

DIVIDENDS

Since the previous financial year ended 30 June 2025, a final single-tier dividend of 19.0 sen per share, amounting to RM44.8 million in respect of the financial year ended 30 June 2025, was paid on 28 October 2025 by the Company.

The Directors have declared a final single-tier dividend of 18.0 sen per share in respect of the financial year ended 30 June 2026. 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 2027.

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.

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' REPORT

for the financial year ended 30 June 2026

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:

Musa bin Mahmood	
Datuk Manharlal a/l Ratilal	
Chee Fei Meng	
Dato' Abdul Majit bin Ahmad Khan	
Tunku Dato' Seri Mahmood Fawzy bin Tunku Muhiyiddin	
Chue Kwok Yan	
San Kah Yee	
Lau Yew Sun	(Associated with a company in member's voluntary liquidation)
Sharan Kaur a/p Jaswant Singh	
Muhammad Awi Goo @ Goo Kim Hooi	
Isnaliyah binti Sarwadi	(Appointed with effect from 20 November 2025)
Tai Sook Yee	(Appointed with effect from 3 November 2025)
Raja Noorma binti Raja Othman	(Resigned with effect from 21 October 2025)

DIRECTORS' REPORT

for the financial year ended 30 June 2026

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 2026 are as follows:

	Directors' direct interests			
	Number of ordinary shares/preference shares/ordinary shares issued or to be issued or acquired			
	As at 01.07.2025	Acquired	(Sold)	As at 30.06.2026
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 2026

DIRECTORS' REMUNERATION

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

	The Group RM'000	The Company RM'000
Directors of the Company		
Director fees	441	441
Director other emoluments	3,638	76
Directors of the Company's Subsidiaries		
Director fees	908	-
Director other emoluments	1,495	-

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 (2025: RM85,500) and the apportioned amount of the said premium paid by the Group was RM1,000 (2025: RM1,690).

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.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

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.

(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 2026 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 2026

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company are RM608,000 and RM118,000 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 2026.

Peter Ho Kok Wai
Director

Tan Kong Khoon
Director

Kuala Lumpur
18 September 2026

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2026

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Assets					
Cash and short-term funds	2	**663,898**	417,212	**3,021**	2,376
Clients' and brokers' balances	3	**204,480**	176,607	**-**	-
Deposits and placements with banks and other financial institutions	4	**154,203**	278,241	**149,000**	234,260
Financial assets at fair value through profit or loss ("FVTPL")	5	**423,581**	451,859	**109,599**	109,840
Financial investments at fair value through other comprehensive income ("FVOCI")	6	**1,924,873**	2,089,747	**-**	-
Financial investments at amortised cost	7	**1,087,966**	1,188,840	**1,005**	1,974
Loans and advances	8	**218,713**	270,762	**-**	-
Other assets	9	**259,099**	237,453	**540**	893
Derivative financial assets	22	**88,592**	94,362	**-**	-
Statutory deposits with Bank Negara Malaysia ("BNM")	10	**16,480**	27,720	**-**	-
Tax recoverable		**713**	1,462	**705**	-
Deferred tax assets	11	**50,171**	61,210	**-**	-
Investment in subsidiary companies	12	**-**	-	**405,388**	315,388
Property and equipment	13	**3,171**	2,983	**-**	-
Right-of-use ("ROU") assets	14	**8,360**	11,567	**-**	-
Intangible assets	15	**7,588**	6,962	**-**	-
Goodwill	16	**33,059**	33,059	**-**	-
Total assets		**5,144,947**	5,350,046	**669,258**	664,731
Liabilities					
Clients' and brokers' balances		**389,218**	281,180	**-**	-
Deposits from customers	17	**799,140**	567,965	**-**	-
Deposits and placements of banks and other financial institutions	18	**2,500,817**	2,868,326	**-**	-
Obligations on securities sold under repurchase agreements	19	**-**	228,969	**-**	-
Lease liabilities	20	**7,765**	11,142	**-**	-
Other liabilities	21	**212,982**	152,274	**1,122**	1,115
Derivative financial liabilities	22	**80,292**	99,287	**-**	-
Tax payable		**581**	540	**-**	368
Subordinated obligations	23	**99,993**	99,958	**-**	-
Total liabilities		**4,090,788**	4,309,641	**1,122**	1,483
Equity					
Share capital	24	**246,896**	246,896	**246,896**	246,896
Reserves	25	**838,420**	824,666	**452,284**	447,396
Treasury shares for ESOS scheme	26	**(31,157)**	(31,157)	**(31,044)**	(31,044)
Total equity		**1,054,159**	1,040,405	**668,136**	663,248
Total equity and liabilities		**5,144,947**	5,350,046	**669,258**	664,731
Commitments and contingencies	37	**17,379,752**	12,972,555	**-**	-

INCOME STATEMENTS

for the financial year ended 30 June 2026

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Interest income	27a	**166,328**	173,798	**7,969**	8,676
Interest income for financial assets at FVTPL	27b	**14,596**	21,376	**-**	-
Interest expense	28	**(124,317)**	(131,821)	**-**	-
Net interest income		**56,607**	63,353	**7,969**	8,676
Non-interest income	29	**170,390**	153,187	**46,612**	55,339
Net income		**226,997**	216,540	**54,581**	64,015
Overhead expenses	30	**(141,512)**	(138,468)	**(3,058)**	(2,626)
Operating profit before allowances		**85,485**	78,072	**51,523**	61,389
Allowance for impairment losses on loans and advances	31	**(6)**	(69)	**-**	-
(Allowance for)/Write-back of impairment losses on financial investments and other financial assets	32	**(120)**	456	**-**	-
Profit before taxation		**85,359**	78,459	**51,523**	61,389
Taxation	34	**(19,790)**	(20,022)	**(1,816)**	(3,385)
Net profit for the financial year		**65,569**	58,437	**49,707**	58,004
Earnings per share (sen)					
- Basic	35	**27.8**	24.8		
- Diluted	35	**27.8**	24.8		

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2026

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Net profit for the financial year		**65,569**	58,437	**49,707**	58,004
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to income statements:					
Debt instruments at FVOCI					
- Net fair value changes		**(9,189)**	8,915	**-**	-
- Net changes in expected credit losses		**(32)**	(97)	**-**	-
Income tax relating to net fair value changes on debt instruments at FVOCI	11	**2,205**	(2,140)	**-**	-
Other comprehensive (loss)/income for the financial year, net of tax		**(7,016)**	6,678	**-**	-
Total comprehensive income for the financial year, net of tax		**58,553**	65,115	**49,707**	58,004

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2026

		Attributable to owners of the parent					
The Group	**Note**	**Share capital RM'000**	**Treasury shares for ESOS scheme RM'000**	**Regulatory reserves RM'000**	**Fair value reserve RM'000**	**Retained profits RM'000**	**Total RM'000**
At 1 July 2025		**246,896**	**(31,157)**	**15,874**	**6,152**	**802,640**	**1,040,405**
Net profit for the financial year		**-**	**-**	**-**	**-**	**65,569**	**65,569**
Other comprehensive loss, net of tax		**-**	**-**	**-**	**(7,016)**	**-**	**(7,016)**
Total comprehensive (loss)/ income for the financial year		**-**	**-**	**-**	**(7,016)**	**65,569**	**58,553**
Transfer from regulatory reserve	25	**-**	**-**	**(195)**	**-**	**195**	**-**
Dividend paid	36	**-**	**-**	**-**	**-**	**(44,799)**	**(44,799)**
At 30 June 2026		**246,896**	**(31,157)**	**15,679**	**(864)**	**823,605**	**1,054,159**
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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2026

The Company	Note	Non-distributable		Distributable	
		Share capital RM'000	Treasury shares for ESOS scheme RM'000	Retained profits RM'000	Total RM'000
At 1 July 2025		**246,896**	**(31,044)**	**447,396**	**663,248**
Net profit for the financial year		**-**	**-**	**49,707**	**49,707**
Total comprehensive income for the financial year		**-**	**-**	**49,707**	**49,707**
Dividend paid	36	**-**	**-**	**(44,819)**	**(44,819)**
At 30 June 2026		**246,896**	**(31,044)**	**452,284**	**668,136**
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

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Cash flows from operating activities		
Profit before taxation	**85,359**	78,459
Adjustments for:		
Depreciation of property and equipment	**1,022**	1,329
Depreciation of ROU assets	**3,844**	3,608
Amortisation of intangible assets	**1,574**	2,309
Gain on disposal of property and equipment	**(96)**	-
Allowance for/(Write-back of) impairment losses on:		
- Loans and advances	**6**	69
- Financial investments and other financial assets	**153**	(363)
Net unrealised (gain)/loss on revaluation of:		
- Financial assets at FVTPL	**(1,131)**	3,818
- Derivative financial instruments	**(13,988)**	4,333
Net gain on discontinued fair value hedges	**-**	(2,406)
Net realised gain arising from sale of financial investments at FVOCI	**(7,086)**	(19,807)
Interest income from:		
- Financial assets at FVTPL	**(14,596)**	(21,376)
- Financial investments at FVOCI	**(71,358)**	(74,064)
- Financial investments at amortised cost	**(37,480)**	(38,799)
Interest expense on:		
- Derivative financial instruments	**11,758**	6,298
- Subordinated obligations	**4,168**	4,166
- Lease liabilities	**429**	546
Dividend income from:		
- Financial assets at FVTPL	**(7,353)**	(8,029)
	(130,134)	(138,368)
Operating loss before changes in working capital	**(44,775)**	(59,909)
Changes in working capital:		
- Deposits and placements with banks and other financial institutions with original maturity of more than three months	**3,040**	78,960
- Clients' and brokers' balances	**(27,876)**	60,228
- Financial assets at FVTPL	**28,083**	139,028
- Loans and advances	**52,043**	38,081
- Other assets	**(21,906)**	13,768
- Statutory deposits with BNM	**11,240**	33,545
Net changes in operating assets	**44,624**	363,610

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	Note	The Group 30.06.2026 RM'000	30.06.2025 RM'000
- Clients' and brokers' balances		**108,038**	47,289
- Deposits from customers		**231,175**	(190,790)
- Deposits and placements of banks and other financial institutions		**(367,509)**	60,490
- Obligations on securities sold under repurchase agreements		**(228,969)**	228,969
- Other liabilities		**60,632**	(157,309)
Net changes in operating liabilities		**(196,633)**	(11,351)
Cash (used in)/generated from operating activities		**(196,784)**	292,350
Income tax paid		**(5,850)**	(7,169)
Income tax refunded		**94**	3
Net cash (used in)/generated from operating activities		**(202,540)**	285,184
Cash flows from investing activities			
Net proceeds/(purchases) of financial investments at FVOCI		**155,765**	(27,199)
Net proceeds of financial investments at amortised cost		**93,557**	106,588
Dividends received from financial assets at FVTPL		**7,431**	8,133
Interest received from:			
- Financial assets at FVTPL		**15,795**	22,136
- Financial investments at FVOCI		**78,364**	85,504
- Financial investments at amortised cost		**44,797**	48,656
Interest paid on derivative financial instruments		**(10,868)**	(6,300)
Proceeds from disposal of property and equipment		**96**	-
Purchase of property and equipment		**(1,210)**	(1,346)
Purchase of other intangible assets		**(2,200)**	(3,512)
Net cash generated from investing activities		**381,527**	232,660
Cash flows from financing activities			
Interest paid on subordinated obligations		**(4,133)**	(4,110)
Dividend paid		**(44,799)**	(51,873)
Lease payments		**(4,367)**	(4,090)
Net cash used in financing activities		**(53,299)**	(60,073)
Net increase in cash and cash equivalents		**125,688**	457,771
Cash and cash equivalents at beginning of the financial year		**692,413**	234,642
Cash and cash equivalents at end of the financial year		**818,101**	692,413
Cash and cash equivalents comprise:			
Cash and short-term funds	2	**663,898**	417,212
Deposits and placements with banks and other financial institutions	4	**154,203**	278,241
		818,101	695,453
Less:			
Deposits and placements with banks and other financial institutions with original maturity of more than three months		**-**	(3,040)
		818,101	692,413

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	Note	The Company	
		30.06.2026 RM'000	30.06.2025 RM'000
Cash flows from operating activities			
Profit before taxation		**51,523**	61,389
Adjustments for:			
Net unrealised loss on revaluation of financial assets at FVTPL		**241**	5,497
Interest income from financial investments at amortised cost		**(72)**	(7)
Dividend income from:			
- Financial assets at FVTPL		**(3,591)**	(4,381)
- Subsidiary companies		**(43,250)**	(50,460)
		(46,672)	(49,351)
Operating profit before changes in working capital		**4,851**	12,038
Changes in working capital:			
- Financial assets at FVTPL		**-**	1,247
- Deposit and placements with banks and other financial institutions with original maturity of more than three months		**-**	80,000
- Other assets		**353**	(492)
- Other liabilities		**7**	(3,393)
Cash generated from operating activities		**5,211**	89,400
Net income tax paid		**(2,983)**	(2,422)
Income tax refunded		**94**	-
Net cash generated from operating activities		**2,322**	86,978
Cash flows from investing activities			
Net proceeds/(purchases) of financial investments at amortised cost		**967**	(1,967)
Interest received from financial investments at amortised cost		**74**	-
Dividends received from:			
- Financial assets at FVTPL		**3,591**	4,764
- Subsidiary companies		**43,250**	50,460
Investment in a subsidiary		**(90,000)**	-
Net cash (used in)/generated from investing activities		**(42,118)**	53,257
Cash flows from financing activity			
Dividend paid		**(44,819)**	(51,896)
Net cash used in financing activity		**(44,819)**	(51,896)
Net (decrease)/increase in cash and cash equivalents		**(84,615)**	88,339
Cash and cash equivalents at beginning of the financial year		**236,636**	148,297
Cash and cash equivalents at end of the financial year		**152,021**	236,636
Cash and cash equivalents comprise:			
Cash and short-term funds	2	**3,021**	2,376
Deposits and placements with banks and other financial institutions	4	**149,000**	234,260
		152,021	236,636

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	← Cash Changes →		← Non-cash Changes →				
	Balance at the beginning of the financial year RM'000	**Repayment RM'000**	**Interest paid RM'000**	**Accrued interest RM'000**	**Amortisation RM'000**	**Other non-cash RM'000**	**Balance at the end of the financial year RM'000**
30.06.2026							
Lease Liabilities	**11,142**	**(3,938)**	**(429)**	**429**	**-**	**561**	**7,765**
Subordinated obligations	**99,958**	**-**	**(4,133)**	**4,133**	**35**	**-**	**99,993**
	111,100	**(3,938)**	**(4,562)**	**4,562**	**35**	**561**	**107,758**
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

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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 4.3% (2025: 4.0%), 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 2025:

- Amendments to MFRS121 'The effects of Changes in Foreign Exchange Rates - Lack of Exchangeability'

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 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 2026

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 2026. None of these is expected to have a significant effect on the financial statements of the Group and the Company, except the following:

- 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 2026

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.

- 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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)

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 alligned 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 2026

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

B CONSOLIDATION (CONTINUED)

(i) Subsidiaries (continued)

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.

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 2026

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 2026

E LEASES

Leases are recognised as 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

E LEASES (CONTINUED)

Lease liabilities (continued)

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.

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 2026

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.

(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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

F FINANCIAL ASSETS (CONTINUED)

(iii) Measurement (continued)

Debt instruments (continued)

(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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

G FINANCIAL LIABILITIES (CONTINUED)

(a) Financial liabilities at fair value through profit or loss (continued)

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.

(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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

H IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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.

(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-terms 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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.

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 its 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

Q INCOME TAXES (CONTINUED)

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.

The ultimate holding company and its subsidiaries group of which the Group is a part of, is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules whereby top-up tax on profits is required in any jurisdictions in which it operates when the blended effective tax rate in each of those jurisdictions is lower than the minimum effective tax rate of 15%.

There was no material top-up tax exposure in any jurisdictions/jurisdiction where the Group operates for the financial year ended 30 June 2026.

The Group has applied the temporary mandatory exception from accounting for deferred taxes arising from any top-up tax due to the Pillar Two model rules.

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.

S RECOGNITION OF INTEREST INCOME AND INTEREST EXPENSE

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).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

U EMPLOYEE BENEFITS (CONTINUED)

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

W CURRENCY TRANSLATIONS (CONTINUED)

(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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 30 June 2026

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.

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 2026

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	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Cash and balances with banks and other financial institutions	**92,362**	129,142	**3,021**	2,376
Money at call and deposit placements maturing within one month	**571,536**	288,070	**-**	-
	663,898	417,212	**3,021**	2,376

Inclusive in cash and short-term funds of the Group are accounts in trust for dealer's representative amounting to RM12,469,000 (2025: RM12,627,000).

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 RM216,851,795 (2025: RM82,825,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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	
	30.06.2026 RM'000	30.06.2025 RM'000
Performing accounts	**203,468**	175,635
Impaired accounts	**1,843**	1,800
	205,311	177,435
Less: Expected credit losses	**(831)**	(828)
	204,480	176,607

Movements of impaired accounts are as follows:

At 1 July	**1,800**	1,312
New financial assets originated	**96**	650
Financial assets derecognised	**(73)**	(733)
Impaired during the financial year	**4,808**	5,399
Written-back during the financial year	**(4,788)**	(4,828)
At 30 June	**1,843**	1,800

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 2025	**9**	**819**	**828**
New financial assets originated	**17**	**9**	**26**
Financial assets derecognised	**(19)**	**(3)**	**(22)**
Allowance made	**13**	**250**	**263**
Allowance written-back	**(13)**	**(251)**	**(264)**
At 30 June 2026	**7**	**824**	**831**
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

4 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Licensed banks	**154,203**	278,241	**149,000**	234,260

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Money market instruments				
Malaysian Government Investment Issues	**-**	63,192	**-**	-
	-	63,192	**-**	-
Quoted securities				
In Malaysia:				
Shares	**170,426**	133,286	**-**	-
Unit trust investment	**109,822**	110,056	**109,599**	109,840
	280,248	243,342	**109,599**	109,840
Unquoted securities				
Corporate bond and/or sukuk	**143,333**	145,325	**-**	-
	423,581	451,859	**109,599**	109,840

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.

	30.06.2026		30.06.2025	
The Group	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
Unquoted securities				
Corporate bond and/or sukuk				
- Kuala Lumpur Interbank Offered Rate ("KLIBOR")	**143,333**	**143,333**	145,325	145,325

6 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Money market instruments		
Malaysian Government Securities	**215,187**	234,530
Malaysian Government Investment Issues	**333,004**	734,437
Negotiable instruments of deposits	**50,147**	49,671
Cagamas bonds	**101,893**	96,909
	700,231	1,115,547
Unquoted securities		
Foreign currency bonds	**138,200**	121,601
Corporate bond and/or sukuk	**1,086,442**	852,599
	1,224,642	974,200
	1,924,873	2,089,747

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 2025	**177**	**-**	**-**	**177**
Allowances made	**7**	**-**	**-**	**7**
Amount written-back	**(8)**	**-**	**-**	**(8)**
New financial assets originated or purchased	**192**	**-**	**-**	**192**
Financial assets derecognised	**(221)**	**-**	**-**	**(221)**
Exchange differences	**(2)**	**-**	**-**	**(2)**
At 30 June 2026	**145**	**-**	**-**	**145**
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

7 FINANCIAL INVESTMENTS AT AMORTISED COST

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Money market instruments				
Malaysian Government Securities	**406,345**	477,637	**-**	-
Malaysian Government Investment Issues	**681,621**	691,131	**-**	-
	1,087,966	1,168,768	**-**	-
Unquoted securities				
Corporate bond and/or sukuk	**-**	20,072	**1,005**	1,974
Less: Expected credit losses	**-**	-	**-**	-
	1,087,966	1,188,840	**1,005**	1,974

8 LOANS AND ADVANCES

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Share margin financing, representing gross loans and advances	**219,052**	271,095
Less: Expected credit losses	**(339)**	(333)
Total net loans and advances	**218,713**	270,762
(i) The maturity structure of loans and advances is as follows:		
Maturity within one year	**219,052**	271,095
Gross loans and advances	**219,052**	271,095
(ii) The loans and advances are disbursed to the following types of customers:		
Domestic business enterprises:		
- small and medium enterprises	**18,196**	49,473
- others	**37,622**	42,497
Individuals	**157,563**	172,448
Foreign entities	**5,671**	6,677
Gross loans and advances	**219,052**	271,095
(iii) Loans and advances analysed by interest rate sensitivity are as follows:		
Variable rate:		
- cost plus	**219,052**	271,095
Gross loans and advances	**219,052**	271,095
(iv) Loans and advances analysed by their economic purposes are as follows:		
Purchase of securities	**219,052**	271,095
Gross loans and advances	**219,052**	271,095
(v) Loans and advances analysed by geographical distribution are as follows:		
Malaysia	**219,052**	271,095

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS AND ADVANCES (CONTINUED)

(vi) 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 2025	**332**	**1**	**-**	**333**
Change in ECL due to transfer within stages:	**-**	**-**	**-**	**-**
Transferred to Stage 1	**14**	**(14)**	**-**	**-**
Transferred to Stage 2	**(14)**	**14**	**-**	**-**
New financial assets originated	**3**	**-**	**-**	**3**
Financial assets derecognised	**(3)**	**-**	**-**	**(3)**
Allowance made	**58**	**2**	**-**	**60**
Allowance written-back	**(54)**	**-**	**-**	**(54)**
At 30 June 2026	**336**	**3**	**-**	**339**
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

(vii) 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 2025	**269,200**	**1,895**	**-**	**271,095**
Total transfer within stages:	**71**	**(71)**	**-**	**-**
Transferred to Stage 1	**26,085**	**(26,085)**	**-**	**-**
Transferred to Stage 2	**(26,014)**	**26,014**	**-**	**-**
New financial assets originated	**152,526**	**6,842**	**-**	**159,368**
Financial assets derecognised	**(730)**	**-**	**-**	**(730)**
Amount written-off	**(209,278)**	**(1,403)**	**-**	**(210,681)**
At 30 June 2026	**211,789**	**7,263**	**-**	**219,052**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS AND ADVANCES (CONTINUED)

(vii) 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 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

9 OTHER ASSETS

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Amounts due from related companies	(a)	**12**	8	**-**	-
Deposits		**16,128**	19,603	**4**	4
Prepayments		**6,279**	3,850	**-**	-
Fee income receivables		**6,309**	8,341	**-**	-
Collaterals pledged for derivative transactions		**21,787**	24,644	**-**	-
Treasury related receivables		**181,626**	163,194	**-**	-
Amout due from unit trust funds		**18,693**	8,047	**-**	-
Other receivables		**8,627**	8,742	**536**	889
Manager's stocks and consumables		**182**	2,104	**-**	-
		259,643	238,533	**540**	893
Less: Expected credit losses	(b)	**(544)**	(1,080)	**-**	-
		259,099	237,453	**540**	893

(a) The amounts due from 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 2026

9 OTHER ASSETS (CONTINUED)

(b) Movements of expected credit losses on other assets 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 2025	**122**	**958**	**1,080**
New financial assets originated	**257**	**-**	**257**
Financial assets derecognised	**(102)**	**-**	**(102)**
Allowance made	**27**	**-**	**27**
Allowance written-off	**-**	**(718)**	**(718)**
At 30 June 2026	**304**	**240**	**544**
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

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.

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	
		30.06.2026 RM'000	30.06.2025 RM'000
Deferred tax assets		**50,171**	61,210
At 1 July		**61,210**	78,570
Charged to income statements	34	**(13,244)**	(15,220)
Charged to equity		**2,205**	(2,140)
At 30 June		**50,171**	61,210
Deferred tax assets			
- settled more than 12 months		**35,520**	51,290
- settled within 12 months		**17,560**	14,864
Deferred tax liabilities			
- settled more than 12 months		**(1,740)**	(3,694)
- settled within 12 months		**(1,169)**	(1,250)
		50,171	61,210

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

11 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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 2025		**(665)**	**(1,887)**	**58,004**	**5,545**	**(2,132)**	**2,345**	**61,210**
(Charged)/Credited to income statements	34	**(619)**	**-**	**(11,252)**	**(1,317)**	**757**	**(813)**	**(13,244)**
Charged to equity		**-**	**2,205**	**-**	**-**	**-**	**-**	**2,205**
At 30 June 2026		**(1,284)**	**318**	**46,752**	**4,228**	**(1,375)**	**1,532**	**50,171**
At 1 July 2024		(134)	253	71,134	7,111	(2,924)	3,130	78,570
(Charged)/Credited 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

Unrecognised deferred tax assets

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Tax losses		
Unutilised tax losses for which the related tax credit has not been recognised in the financial statements	**3**	3
Capital allowances		
Unutilised capital allowances for which the related tax credit has not been recognised in the financial statements	**-**	185

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 RM3,100 as at 30 June 2026 (2025: RM3,000) 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 2027).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

12 INVESTMENT IN SUBSIDIARY COMPANIES

	Note	The Company	
		30.06.2026 RM'000	30.06.2025 RM'000
Subsidiary companies:			
Unquoted shares at cost	(a)	**532,070**	442,070
Less: Accumulated impairment losses	(b)	**(126,682)**	(126,682)
		405,388	315,388

(a) During the financial year, HLCB subscribed to Redeemable Preference Shares (RPS) issued by HLCB Assets Sdn Bhd amounting to RM90.0 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'.

Details of the subsidiary companies are as follows:

Name of companies	Country of incorporation	Effective equity interest 2026 %	Effective equity interest 2025 %	Principal activities
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

Subsidiary companies are audited by PricewaterhouseCoopers PLT, except for HLG Securities Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

13 PROPERTY AND EQUIPMENT

The Group 30.06.2026	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 2025	**350**	**27,747**	**2,749**	**23,588**	**1,858**	**56,292**
Additions	**-**	**736**	**22**	**214**	**238**	**1,210**
Disposals	**-**	**-**	**-**	**-**	**(476)**	**(476)**
Write-off	**-**	**(3)**	**-**	**-**	**-**	**(3)**
At 30 June 2026	**350**	**28,480**	**2,771**	**23,802**	**1,620**	**57,023**
Accumulated depreciation						
At 1 July 2025	**-**	**26,935**	**2,722**	**22,530**	**1,122**	**53,309**
Charge for the financial year	**-**	**390**	**14**	**399**	**219**	**1,022**
Disposals	**-**	**-**	**-**	**-**	**(476)**	**(476)**
Write-off	**-**	**(3)**	**-**	**-**	**-**	**(3)**
At 30 June 2026	**-**	**27,322**	**2,736**	**22,929**	**865**	**53,852**
Net book value						
At 30 June 2026	**350**	**1,158**	**35**	**873**	**755**	**3,171**

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

14 RIGHT-OF-USE ("ROU") ASSETS

The Group 30.06.2026	Leasehold Land RM'000	Leasehold Building RM'000	Properties RM'000	Equipment RM'000	Total RM'000
Cost					
At 1 July 2025	**783**	**871**	**30,160**	**742**	**32,556**
Additions	**-**	**-**	**612**	**25**	**637**
End of lease term	**-**	**-**	**(36)**	**(20)**	**(56)**
At 30 June 2026	**783**	**871**	**30,736**	**747**	**33,137**
Accumulated depreciation					
At 1 July 2025	**106**	**272**	**20,253**	**358**	**20,989**
Charge for the financial year	**8**	**16**	**3,697**	**123**	**3,844**
End of lease term	**-**	**-**	**(36)**	**(20)**	**(56)**
At 30 June 2026	**114**	**288**	**23,914**	**461**	**24,777**
Net book value					
At 30 June 2026	**669**	**583**	**6,822**	**286**	**8,360**

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)
Adjustments	-	-	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)
Adjustments	-	-	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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

15 OTHER INTANGIBLE ASSETS

Computer software	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Cost		
At 1 July	**41,014**	37,502
Additions*	**2,200**	3,512
At 30 June	**43,214**	41,014
Amortisation		
At 1 July	**(34,052)**	(31,743)
Charge for the financial year	**(1,574)**	(2,309)
At 30 June	**(35,626)**	(34,052)
Net book value		
At 30 June	**7,588**	6,962

* Inclusive of RM853,215 as Work-In-Progress ("WIP") as at 30 June 2026 (2025: RM2,476,602). The amortisation of the amount capitalised will commence when the project goes live.

16 GOODWILL

	The Group	
	30.06.2026 RM'000	30.06.2025 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	
	30.06.2026 RM'000	30.06.2025 RM'000
Cost		
Investment banking and stockbroking	**28,986**	28,986
Unit trust management	**4,073**	4,073
	33,059	33,059

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 4.3% (2025: 4.0%), 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	
	30.06.2026 %	30.06.2025 %
CGUs		
Investment banking and stockbroking	**7.2**	8.2
Unit trust management	**7.2**	8.2

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	
	30.06.2026 RM'000	30.06.2025 RM'000
Fixed deposits	**799,140**	567,965
(i) Maturity structure of fixed deposits is as follows:		
Due within:		
- six months	**799,140**	567,965
(ii) The deposits are sourced from the following customers:		
Government and statutory bodies	**687,646**	417,150
Business enterprises	**102,516**	136,573
Individual	**8,978**	14,242
	799,140	567,965

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Licensed banks	**134,641**	338,330
Other financial institutions	**2,366,176**	2,529,996
	2,500,817	2,868,326

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	
	30.06.2026 RM'000	30.06.2025 RM'000
Financial investments at amortised cost	**-**	228,969

20 LEASE LIABILITIES

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
At 1 July	**11,142**	13,015
Additions	**561**	-
Interest expense	**429**	546
Lease payment	**(4,367)**	(4,090)
Adjustments	**-**	(75)
Modifications	**-**	1,746
At 30 June	**7,765**	11,142

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

21 OTHER LIABILITIES

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Amount due to holding company	(a)	**86**	527	**8**	18
Amount due to related companies	(a)	**905**	1,872	**248**	328
Remisiers' trust deposits		**12,469**	12,627	**-**	-
Treasury related payables		**150,880**	63,422	**-**	-
Other payables and accrued liabilities		**43,621**	48,794	**866**	769
Equity related payables		**4,909**	24,807	**-**	-
Post employment benefits obligation:					
- defined contribution plan		**112**	225	**-**	-
		212,982	152,274	**1,122**	1,115

(a) The amount due to holding company and related companies are unsecured, interest free and repayable on demand.

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
30.06.2026			
Derivatives at FVTPL:			
(i) Interest rate related contracts:			
- interest rate swaps	**9,594,500**	**15,815**	**(20,508)**
(ii) Foreign exchange related contracts:			
- foreign currency swaps	**5,781,043**	**44,285**	**(59,738)**
- foreign currency forwards	**1,021,219**	**28,461**	**(16)**
- foreign currency spots	**20,901**	**13**	**(30)**
(iii) Equity related contracts:			
- futures	**14,802**	**18**	**-**
	16,432,465	**88,592**	**(80,292)**
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)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

22 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

IBOR Reform

As at 30 June 2026, 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			
	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:				
30.06.2026				
Interest rate swaps				
- KLIBOR	**15,815**	**15,815**	**(20,508)**	**(20,508)**
30.06.2025				
Interest rate swaps				
- KLIBOR	27,432	27,432	(37,934)	(37,934)

23 SUBORDINATED OBLIGATIONS

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Multi-currency Tier 2 Subordinated Notes, at par	**100,000**	100,000
Add: Interest payable	**180**	203
	100,180	100,203
Less: Unamortised discounts	**(187)**	(245)
	99,993	99,958

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.

23 SUBORDINATED OBLIGATIONS (CONTINUED)

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			
	30.06.2026		30.06.2025	
	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

25 RESERVES

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Retained profits	(a)	**823,605**	802,640	**452,284**	447,396
Regulatory reserve	(b)	**15,679**	15,874	**-**	-
Fair value reserve	(c)	**(864)**	6,152	**-**	-
		838,420	824,666	**452,284**	447,396

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

25 RESERVES (CONTINUED)

(c) Fair value reserve

Movement of the fair value reserve is as follows:

	Note	The Group		The Company	
		30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
At 1 July		**6,152**	(526)	**-**	-
Net (loss)/gain from change in fair value		**(9,189)**	8,915	**-**	-
Net changes in expected credit losses		**(32)**	(97)	**-**	-
Deferred taxation	11	**2,205**	(2,140)	**-**	-
Net change in fair value reserve		**(7,016)**	6,678	**-**	-
At 30 June		**(864)**	6,152	**-**	-

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:

	30.06.2026		30.06.2025	
	Number of trust shares held RM'000	Cost RM'000	Number of trust shares held RM'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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

27A INTEREST INCOME

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Loans and advances	**13,808**	16,017	**-**	-
Money at call and deposit placements with financial institutions	**14,312**	10,574	**7,897**	8,669
Securities purchased under resale agreement	**414**	-	**-**	-
Financial investments at FVOCI	**71,358**	74,064	**-**	-
Financial investments at amortised cost	**37,480**	38,799	**72**	7
Others	**28,956**	34,344	**-**	-
	166,328	173,798	**7,969**	8,676

27B INTEREST INCOME FOR FINANCIAL ASSETS AT FVTPL

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Financial assets at FVTPL	**14,596**	21,376

28 INTEREST EXPENSE

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Deposits from customers	**71,367**	92,166
Deposits and placements of banks and other financial institutions	**33,220**	23,944
Obligations on securities sold under repurchase agreements	**2,842**	3,952
Lease liabilities	**429**	546
Derivative financial instruments	**11,758**	6,298
Tier 2 subordinated obligations	**4,168**	4,166
Others	**533**	749
	124,317	131,821

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

29 NON-INTEREST INCOME

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Fee income				
Brokerage income	**73,983**	77,196	**-**	-
Unit trust fee income	**53,271**	43,117	**-**	-
Commission for futures contracts	**686**	1,181	**-**	-
Fees on loans and advances	**141**	251	**-**	-
Arranger fees	**2,640**	3,142	**-**	-
Placement fees	**3,510**	8,797	**-**	-
Corporate advisory fees	**6,082**	7,234	**-**	-
Underwriting commissions	**203**	955	**-**	-
Other fee income	**6,878**	10,238	**-**	-
	147,394	152,111	**-**	-
Less: brokerage expenses	**(20,335)**	(22,076)	**-**	-
	127,059	130,035	**-**	-
Net income from securities				
Net realised (loss)/ gain arising from sale of:				
- Financial assets at FVTPL	**(4,257)**	2,506	**-**	5,982
- Financial investments at FVOCI	**7,086**	19,807	**-**	-
- Derivative financial instruments	**2,322**	(10,114)	**-**	-
Net unrealised gain/(loss) on revaluation of:				
- Financial assets at FVTPL	**1,131**	(3,818)	**(241)**	(5,497)
- Derivative financial instruments	**13,988**	(4,333)	**-**	-
Dividend income from:				
- Financial assets at FVTPL	**7,353**	8,029	**3,591**	4,381
- Subsidiary companies	**-**	-	**43,250**	50,460
Net gain on discontinued fair value hedges	**-**	2,406	**-**	-
	27,623	14,483	**46,600**	55,326
Other income				
Gain on disposal of property and equipment	**96**	-	**-**	-
Foreign exchange gain	**14,992**	7,993	**-**	-
Other non-operating income	**620**	676	**12**	13
	15,708	8,669	**12**	13
	170,390	153,187	**46,612**	55,339

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

30 OVERHEAD EXPENSES

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Personnel costs	**88,994**	89,495	**1,111**	917
Establishment costs	**23,674**	23,495	**231**	137
Marketing expenses	**2,322**	2,530	**36**	17
Administration and general expenses	**26,522**	22,948	**1,680**	1,555
	141,512	138,468	**3,058**	2,626

(i) Personnel costs comprise the following:

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Salaries, allowances and bonuses	**71,200**	73,454	**-**	-
Other employees benefits	**17,794**	16,041	**1,111**	917
	88,994	89,495	**1,111**	917

(ii) Establishment costs comprise the following:

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Depreciation of property and equipment	**1,022**	1,329	**-**	-
Depreciation of ROU assets	**3,844**	3,608	**-**	-
Amortisation of intangible assets	**1,574**	2,309	**-**	-
Rental of premises	**143**	221	**-**	-
Information technology expenses	**14,311**	13,236	**53**	-
Others	**2,780**	2,792	**178**	137
	23,674	23,495	**231**	137

(iii) Marketing expenses comprise the following:

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Advertisement and publicity	**611**	693	**19**	5
Entertainment and business improvement	**1,287**	1,320	**-**	-
Others	**424**	517	**17**	12
	2,322	2,530	**36**	17

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

30 OVERHEAD EXPENSES (CONTINUED)

(iv) Administration and general expenses comprise the following:

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Communication expenses	**1,083**	1,019	**13**	25
Management fees	**5,549**	5,570	**493**	513
Legal and professional fees	**1,727**	1,236	**67**	72
Auditors' remuneration:				
- statutory audit fees	**494**	454	**105**	88
- regulatory related fees	**77**	72	**13**	13
- tax compliance fees	**37**	32	**-**	-
Others	**17,555**	14,565	**989**	844
	26,522	22,948	**1,680**	1,555

Included in the overhead expenses of the Group and the Company are Directors' remuneration amounting to RM6,482,000 (2025: RM7,333,000) and RM517,000 (2025: RM508,000) 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 IMPAIRMENT LOSSES ON LOANS AND ADVANCES

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Expected credit losses allowance for on:		
- Loans and advances	**(6)**	(69)

32 (ALLOWANCE FOR)/WRITE-BACK OF IMPAIRMENT LOSSES ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Expected credit losses (made)/written-back on:		
(a) Financial investments:		
- Financial investments at FVOCI	**32**	97
(b) Other financial assets:		
(i) Clients' and brokers' balances:		
- Expected credit losses	**(3)**	4
- Impaired clients' and brokers' balances recovered	**-**	93
(ii) Other assets		
- Expected credit losses	**(182)**	262
- Impaired other assets recovered	**33**	-
	(152)	359
	(120)	456

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

33 DIRECTORS' REMUNERATION

	The Group			The Company		
	Director fees RM'000	Salaries, bonuses, allowances and defined contribution retirement plan RM'000	Total RM'000	Director fees RM'000	Salaries, bonuses, allowances and defined contribution retirement plan RM'000	Total RM'000
30.06.2026						
Non-Executive Directors:						
Tan Kong Khoon	**-**	**-**	**-**	**-**	**-**	**-**
Tai Siew Moi	**145**	**26**	**171**	**145**	**26**	**171**
Leong Ket Ti	**143**	**24**	**167**	**143**	**24**	**167**
Peter Ho Kok Wai	**153**	**26**	**179**	**153**	**26**	**179**
Lee Jim Leng	**-**	**3,562**	**3,562**	**-**	**-**	**-**
	441	**3,638**	**4,079**	**441**	**76**	**517**
Directors of subsidiaries	**908**	**1,495**	**2,403**	**-**	**-**	**-**
Total Directors' remuneration	**1,349**	**5,133**	**6,482**	**441**	**76**	**517**

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.

30.06.2025						
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

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 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 (2025: RM85,500) and the apportioned amount of the said premium paid by the Group was RM1,000 (2025: RM1,690).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

34 TAXATION

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Malaysian income tax:				
- current financial year's charge	**6,538**	4,800	**1,815**	3,407
- under/(over) provision in prior financial years	**8**	2	**1**	(22)
	6,546	4,802	**1,816**	3,385
Deferred taxation (Note 11):				
- relating to origination and reversal of temporary differences	**13,244**	15,220	**-**	-
	13,244	15,220	**-**	-
	19,790	20,022	**1,816**	3,385

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	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Profit before taxation	**85,359**	78,459	**51,523**	61,389
Tax calculated at a rate of 24%	**20,486**	18,830	**12,366**	14,733
Tax effects of:				
- Income not subject to tax	**(1,016)**	(1,084)	**(11,184)**	(11,845)
- Expenses not deductible for tax purposes	**447**	2,278	**633**	519
- Origination of temporary differences previously not recognised	**(135)**	2	**-**	-
- Utilisation of unutilised tax losses previously not recognised	**-**	(6)	**-**	-
- Under/(Over) provision in prior financial years	**8**	2	**1**	(22)
Tax expense for the financial year	**19,790**	20,022	**1,816**	3,385

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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:

(a) Basic earnings per share

	The Group	
	30.06.2026 RM'000	30.06.2025 RM'000
Net profit attributable to equity holders of the Company (RM'000)	**65,569**	58,437
Weighted average number of ordinary shares in issue ('000)	**235,785**	235,785
Basic earnings per share (sen)	**27.8**	24.8

(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 2026 and 30 June 2025.

36 DIVIDENDS

Dividends declared as follows:

	The Group and the Company			
	30.06.2026		30.06.2025	
	Single-tier dividend per share Sen	Amount of dividend RM'000	Single-tier dividend per share Sen	Amount of dividend RM'000
Ordinary shares	**18.0**	**44,441**	19.0	46,910

The Directors have declared a final single-tier dividend of 18.0 sen per share in respect of the financial year ended 30 June 2026. 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 2027.

Dividends recognised as distribution to ordinary equity holders of the Group and the Company:

	The Group			
	30.06.2026		30.06.2025	
	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**	**44,799**	22.0	51,873

	The Company			
	30.06.2026		30.06.2025	
	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**	**44,819**	22.0	51,896

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

36 DIVIDENDS (CONTINUED)

In respect of the financial year ended 30 June 2025, 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 RM2,111,033 (Group) and RM2,091,083 (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:

The Group	30.06.2026 Principal amount RM'000	30.06.2025 Principal amount RM'000
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
- over one year	**30,000**	30,000
Any commitment that are unconditionally cancelled at any time by the Group without prior notice		
- maturity less than one year	**916,287**	863,605
	947,287	941,605
Derivative financial instruments		
Interest rate related contracts^:		
- One year or less	**1,908,000**	864,000
- Over one year to five years	**7,686,500**	5,587,500
Foreign exchange related contracts^:		
- One year or less	**6,823,163**	5,553,918
Equity related contracts^:		
- One year or less	**14,802**	25,532
	16,432,465	12,030,950
	17,379,752	12,972,555

^ 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 2026

38 CAPITAL COMMITMENTS

	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Property and equipment				
- approved and contracted but not provided for	**1,928**	3,371	**185**	511

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	
	30.06.2026	30.06.2025
Before deducting proposed dividends:		
Common Equity Tier 1 ("CET 1") capital ratio	**35.189%**	35.611%
Tier 1 capital ratio	**35.263%**	35.687%
Total capital ratio	**43.228%**	43.768%
After deducting proposed dividends: [(1)]		
CET 1 capital ratio	**32.652%**	32.738%
Tier 1 capital ratio	**32.725%**	32.814%
Total capital ratio	**40.690%**	40.895%

Note:

(1) Proposed dividends of RM34,650,000 (2025: RM37,950,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

40 CAPITAL ADEQUACY (CONTINUED)

(ii) The components of CET 1, Tier 1 and Total capital of the banking subsidiaries are as follows:

	HLIB	
	30.06.2026	**30.06.2025**
CET 1 capital		
Paid-up ordinary share capital	**252,950**	252,950
Retained profits	**313,248**	310,183
Other reserves	**(864)**	6,152
Less: goodwill and intangibles	**(35,368)**	(34,915)
Less: deferred tax assets	**(49,252)**	(60,383)
Less: investment in subsidiary companies	**(200)**	(200)
Less: 55% of cumulative gains of financial instruments at FVOCI	**-**	(3,384)
Total CET 1 capital	**480,514**	470,403
Additional Tier 1 capital securities	**1,000**	1,000
Tier 1 capital	**481,514**	471,403
Tier 2 capital		
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves [(2)]	**8,761**	6,743
Subordinated obligations	**100,000**	100,000
Total Tier 2 capital	**108,761**	106,743
Total capital	**590,275**	578,146

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	
	30.06.2026	**30.06.2025**
Credit risk	**690,568**	528,319
Exposures to Central Counterparties	**10,307**	11,116
Total Credit risk	**700,875**	539,435
Market risk	**353,202**	479,647
Operational risk	**311,427**	301,853
	1,365,504	1,320,935

41 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties and their relationships with the Company are as follows:

Related parties	Relationship
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 2026

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions

Transactions with related parties are as follows:

The Group 30.06.2026	Parent company RM'000	Other* related companies RM'000	Key management personnel RM'000
Income			
Interest income	-	2,562	-
Brokerage income	-	438	155
Unit trust fee income	-	15,167	-
Corporate advisory fee	-	1,384	-
Arranger fee	-	470	-
Placement fee	-	1,020	-
Other fee income	80	249	-
Other income	-	175	-
Gain on securities and derivatives	-	6,877	-
	80	28,342	155
Expenses			
Interest expense	168	1,485	179
Direct cost to unit trust fee income	-	13,136	-
Management fees	2,620	2,922	-
Lease payment	-	4,216	-
Others	142	5,750	-
	2,930	27,509	179
Amounts due from:			
Cash and short-term funds	-	141,618	-
Deposits and placements with banks and other financial institutions	-	6,800	-
Financial assets at FVTPL	-	3,091	-
Financial investments at FVOCI	-	50,147	-
Derivative financial assets	-	4,514	-
Clients' and brokers' balances	-	654	-
Other assets	-	901	-
	-	207,725	-
Amounts due to:			
Deposits from customers	-	-	4,001
Derivative financial liabilities	-	945	-
Clients' and brokers' balances	-	2,288	-
Other liabilities	86	908	522
	86	4,141	4,523
Commitments and contingencies			
Derivative financial instruments	-	751,220	-

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions

Transactions with related parties are as follows: (continued)

The Company 30.06.2026	Parent company RM'000	Subsidiaries RM'000	Other* related companies RM'000	Key management personnel RM'000
Income				
Interest income	-	4,423	51	-
Dividends	-	43,250	-	-
	-	47,673	51	-
Expenses				
Management fees	245	-	248	-
Others	-	1,362	47	-
	245	1,362	295	-
Amounts due from:				
Cash and short-term funds	-	-	3,020	-
Deposits and placements with banks and other financial institutions	-	105,000	-	-
Financial investments at amortised cost	-	1,005	-	-
Other assets	-	301	-	-
	-	106,306	3,020	-
Amounts due to:				
Other liabilities	8	-	248	522

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions

Transactions with related parties are as follows: (continued)

The Group 30.06.2025	Parent company RM'000	Other* related companies RM'000	Key management personnel RM'000
Income			
Interest income	-	4,475	-
Brokerage income	-	287	38
Unit trust fee income	-	1,734	-
Corporate advisory fee	-	40	-
Arranger fee	300	-	-
Placement fee	-	975	-
Other fee income	80	315	-
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	-

41 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions

Transactions with related parties are as follows: (continued)

The Company 30.06.2025	Parent company RM'000	Subsidiaries RM'000	Other* related companies RM'000	Key management personnel RM'000
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	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.

(c) Key management personnel

Key management compensation	The Group		The Company	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Salaries, allowances and other short-term employee benefits	**7,503**	8,611	**76**	82
Fees	**441**	426	**441**	426
	7,944	9,037	**517**	508

Included in the above is the Directors' remuneration which is disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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

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42 SEGMENTAL INFORMATION (CONTINUED)

The Group 30.06.2026	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
Net interest income					
External revenue	**51,902**	**817**	**3,888**	**-**	**56,607**
Inter-segment revenue	**(4,618)**	**-**	**4,618**	**-**	**-**
	47,284	**817**	**8,506**	**-**	**56,607**
Non-interest income					
External revenue	**104,078**	**53,905**	**12,407**	**-**	**170,390**
Inter-segment revenue	**6,945**	**564**	**43,250**	**(50,759)**	**-**
	111,023	**54,469**	**55,657**	**(50,759)**	**170,390**
Net income	**158,307**	**55,286**	**64,163**	**(50,759)**	**226,997**
Overhead expenses	**(103,992)**	**(41,926)**	**(3,291)**	**7,697**	**(141,512)**
Net allowance written-back for impairment losses on loans and advances and other losses	**(159)**	**-**	**33**	**-**	**(126)**
Results					
Profit before taxation	**54,156**	**13,360**	**60,905**	**(43,062)**	**85,359**
Taxation					**(19,790)**
Net profit for the financial year					**65,569**
Assets					
Segment assets	**4,530,564**	**289,164**	**842,775**	**(517,556)**	**5,144,947**
Liabilities					
Segment liabilities	**3,949,551**	**246,365**	**6,896**	**(112,024)**	**4,090,788**
Other informations					
Capital expenditure	**2,967**	**443**	**-**	**-**	**3,410**
Depreciation of property and equipment	**826**	**196**	**-**	**-**	**1,022**
Depreciation of ROU assets	**3,260**	**584**	**-**	**-**	**3,844**
Amortisation of intangible assets	**1,378**	**196**	**-**	**-**	**1,574**
Allowance for impairment losses on loans and advances	**(6)**	**-**	**-**	**-**	**(6)**
(Allowance for)/Write-back of impairment losses on financial investments and other financial assets	**(153)**	**-**	**33**	**-**	**(120)**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

42 SEGMENTAL INFORMATION (CONTINUED)

The Group 30.06.2025	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
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
Net income	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					
Profit before taxation	58,563	10,190	60,459	(50,753)	78,459
Taxation					(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	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

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

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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.

The Group views liquidity management as integral to other key elements, such as capital adequacy, asset quality and profitability. Hence, the management of liquidity will encompass an overall on-balance sheet and off-balance sheet approach that draws together all sources and uses of liquidity (i.e. loans, investments, deposits, borrowings and derivatives). All of these activities will be conducted in a manner consistent with prudent management. The Group's liquidity management policies and supporting procedures have been designed to highlight exceptions. Where reasonable, trigger points are applied to quantitative analysis of the liquidity position in order to identify significant deviations from "normal" ranges of operation and to trigger additional attention from management. The Group's proactive approach in identifying liquidity risks supports alignment with regulatory frameworks, including BNM Policy Document on Liquidity Risk requirements.

At Group, managing liquidity risk is essential to its financial stability and resilience. Consequently, the Group utilise tools to identify and manage liquidity risk such as cumulative outflow, intraday liquidity and depositors' concentration into its overall monitoring. The Treasury and Markets ("T&M") Department are delegated with the task of day-to-day liquidity management whilst the Risk Management Department are responsible for the monitoring of the approved limits and triggers with key limits are monitored daily. The Group also escalate regularly to the Assets and Liabilities Management Committee ("ALMCO"), Board Risk Management Committee ("BRMC") and ultimately the Board of Directors on the liquidity positions as well as any emerging liquidity risks and opportunities.

In addition to pro-active liquidity management to support asset writing and balance sheet optimisation strategies, the Group conduct liquidity stress testing exercise periodically and thematic liquidity stress testing as and when any emerging events that may pose risk to its business. The Group's liquidity stress testing methodology pivots on the dual stress scenarios of bank-specific and industry-wide. The focal point of the stress parameters shall be the diminishing unencumbered High Quality Liquid Assets ("HQLA") value, acute depositor run-off and crystallisation of contingent commitments.

In line with the regulatory requirement, the Group has implemented Contingency Fund Plan ("CFP") together with the Recovery Plans ("RPs"). The CFP contains various both qualitative and quantitative Early Warning Signal ("EWS") indicators to assist in detecting emerging and/or escalating liquidity crises event. The liquidity stress testing dynamic mitigating action plans will be used to review and refine the CFP's detailed action plans.

43 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Risk management objectives and policies (continued)

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 financing 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 benchmarks rates that are more robust and based upon transaction in active, liquid markets. As at 30 June 2026, 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 up to 31 December 2028.

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.

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 counterparties, 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 2026, 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 2026 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 2026 which referenced to KLIBOR, kindly refer to Note 5 and Note 22 of the financial statements.

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for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(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.

(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.

	30.06.2026		30.06.2025	
The Group	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	**4,930**	**(42,602)**	13,567	(54,522)
-100 bps	**(4,930)**	**42,602**	(13,567)	54,522

(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

	30.06.2026		30.06.2025	
The Group	+1% RM'000	-1% RM'000	+1% RM'000	-1% RM'000
USD	**43**	**(43)**	245	(245)
SGD	**14**	**(14)**	3	(3)
Others	**3**	**(3)**	(32)	32
	60	**(60)**	216	(216)

(iii) Equity prices sensitivity analysis

The Group and the Company's exposure to equity securites 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.

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(iv) 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 statements 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.

	← Non-trading book →							
The Group 30.06.2026	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	Trading book RM'000	Total RM'000
Assets								
Cash and short-term funds	**348,039**	**-**	**-**	**-**	**-**	**315,859**	**-**	**663,898**
Clients' and brokers' balances	**-**	**-**	**-**	**-**	**-**	**204,480**	**-**	**204,480**
Deposits and placements with banks and other financial institutions	**-**	**154,000**	**-**	**-**	**-**	**203**	**-**	**154,203**
Financial assets at FVTPL	**-**	**-**	**-**	**-**	**-**	**-**	**423,581**	**423,581**
Financial investments at FVOCI	**150,030**	**50,041**	**83,297**	**1,210,240**	**410,245**	**21,020**	**-**	**1,924,873**
Financial investments at amortised cost	**130,021**	**245,793**	**69,960**	**629,654**	**-**	**12,538**	**-**	**1,087,966**
Loans and advances	**218,713**	**-**	**-**	**-**	**-**	**-**	**-**	**218,713**
Other financial assets	**-**	**-**	**-**	**-**	**-**	**252,820**	**-**	**252,820**
Derivative financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**88,592**	**88,592**
Statutory deposits with BNM	**-**	**-**	**-**	**-**	**-**	**16,480**	**-**	**16,480**
Total assets	**846,803**	**449,834**	**153,257**	**1,839,894**	**410,245**	**823,400**	**512,173**	**5,035,606**

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for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(iv) Interest rate risk (continued)

	Non-trading book							
The Group 30.06.2026	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	Trading book RM'000	Total RM'000
Liabilities								
Clients' and brokers' balances	-	-	-	-	-	389,218	-	389,218
Deposits from customers	638,570	49,196	109,173	-	-	2,201	-	799,140
Deposits and placements of banks and other financial institutions	2,240,086	259,243	-	-	-	1,488	-	2,500,817
Lease liabilities	437	490	1,427	5,411	-	-	-	7,765
Other financial liabilities	-	-	-	-	-	212,982	-	212,982
Derivative financial liabilities	-	-	-	-	-	-	80,292	80,292
Subordinated obligations	-	-	-	-	99,696	297	-	99,993
Total liabilities	2,879,093	308,929	110,600	5,411	99,696	606,186	80,292	4,090,207
Net interest sensitivity gap	(2,032,290)	140,905	42,657	1,834,483	310,549			
Direct credit substitutes	-	-	-	-	-	1,000		
Credit related commitments and contingencies	-	-	-	-	-	946,287		
Net interest sensitivity gap	-	-	-	-	-	947,287		

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(iv) Interest rate risk (continued)

	Non-trading book							
The Group 30.06.2025	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	Trading book RM'000	Total 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

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for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(iv) Interest rate risk (continued)

	Non-trading book							
The Group 30.06.2025	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	Trading book RM'000	Total 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		

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(iv) Interest rate risk (continued)

	Non-trading book							
The Company 30.06.2026	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	Trading book RM'000	Total RM'000
Assets								
Cash and short-term funds	-	-	-	-	-	3,021	-	3,021
Deposits and placements with banks and other financial institutions	-	149,000	-	-	-	-	-	149,000
Financial assets at FVTPL	-	-	-	-	-	-	109,599	109,599
Financial investments at amortised cost	-	-	-	1,000	-	5	-	1,005
Other financial assets	-	-	-	-	-	540	-	540
Total assets	-	149,000	-	1,000	-	3,566	109,599	263,165
Liabilities								
Other financial liabilities	-	-	-	-	-	1,122	-	1,122
Total liabilities	-	-	-	-	-	1,122	-	1,122
Net interest sensitivity gap	-	149,000	-	1,000	-			
Direct credit substitutes	-	-	-	-	-	-		
Credit related commitments and contingencies	-	-	-	-	-	-		
Net interest sensitivity gap	-	-	-	-	-	-		

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for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(iv) Interest rate risk (continued)

	Non-trading book							
The Company 30.06.2025	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	Trading book 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	-	-	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	-	-	-	-	-	-		
Total interest rate sensitivity gap	-	-	-	-	-	-		

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 30.06.2026	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	639,586	24,312	-	-	-	-	-	663,898
Clients' and brokers' balances	204,480	-	-	-	-	-	-	204,480
Deposits and placements with banks and other financial institutions	-	-	154,203	-	-	-	-	154,203
Financial assets at FVTPL	14,810	-	69,689	52,409	-	21,235	265,438	423,581
Financial investments at FVOCI	50,147	101,832	50,708	23,322	60,716	1,638,148	-	1,924,873
Financial investments at amortised cost	-	132,364	248,478	-	70,168	636,956	-	1,087,966
Loans and advances	218,713	-	-	-	-	-	-	218,713
Derivative financial assets	7,025	22,132	20,356	13,315	11,214	14,550	-	88,592
Other assets*	614	130	235	-	19,842	238,072	119,748	378,641
Total assets	1,135,375	280,770	543,669	89,046	161,940	2,548,961	385,186	5,144,947

* Includes property and equipment, ROU assets, other intangible assets, statutory deposits with BNM, tax recoverable, deferred tax assets and goodwill.

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for the financial year ended 30 June 2026

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 30.06.2026	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	**389,218**	**-**	**-**	**-**	**-**	**-**	**-**	**389,218**
Deposits from customers	**339,412**	**300,248**	**49,647**	**109,833**	**-**	**-**	**-**	**799,140**
Deposits and placements of banks and other financial institutions	**2,140,566**	**100,668**	**259,583**	**-**	**-**	**-**	**-**	**2,500,817**
Derivative financial liabilities	**187**	**21,223**	**27,960**	**10,860**	**493**	**19,569**	**-**	**80,292**
Subordinated obligations	**-**	**-**	**-**	**180**	**-**	**99,813**	**-**	**99,993**
Lease liabilities	**-**	**437**	**489**	**475**	**953**	**5,411**	**-**	**7,765**
Other liabilities**	**-**	**13,452**	**4,918**	**-**	**195,080**	**113**	**-**	**213,563**
Total liabilities	**2,869,383**	**436,028**	**342,597**	**121,348**	**196,526**	**124,906**	**-**	**4,090,788**
Total equity	**-**	**-**	**-**	**-**	**-**	**-**	**1,054,159**	**1,054,159**
Total liabilities and equity	**2,869,383**	**436,028**	**342,597**	**121,348**	**196,526**	**124,906**	**1,054,159**	**5,144,947**

** Includes current tax liabilities.

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
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	4,107	15,498	26,521	18,011	3,361	26,864	-	94,362
Other assets*	9	130	188	-	11,532	225,314	145,243	382,416
Total assets	696,212	206,411	714,853	206,763	234,995	2,900,291	390,521	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 2026

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 otherfinancial 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.

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 30.06.2026	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	**3,021**	**-**	**-**	**-**	**-**	**-**	**-**	**3,021**
Deposits and placements with banks and other financial institutions	**-**	**-**	**149,000**	**-**	**-**	**-**	**-**	**149,000**
Financial assets at FVTPL	**-**	**-**	**-**	**-**	**-**	**-**	**109,599**	**109,599**
Financial investments at amortised cost	**-**	**-**	**-**	**5**	**-**	**1,000**	**-**	**1,005**
Other assets	**-**	**-**	**536**	**-**	**4**	**-**	**-**	**540**
Tax recoverable	**-**	**-**	**-**	**-**	**-**	**-**	**705**	**705**
Investment in subsidiary companies	**-**	**-**	**-**	**-**	**-**	**-**	**405,388**	**405,388**
Total assets	**3,021**	**-**	**149,536**	**5**	**4**	**1,000**	**515,692**	**669,258**
Liabilities								
Other liabilities	**-**	**-**	**-**	**-**	**1,122**	**-**	**-**	**1,122**
Total liabilities	**-**	**-**	**-**	**-**	**1,122**	**-**	**-**	**1,122**
Total equity	**-**	**-**	**-**	**-**	**-**	**-**	**668,136**	**668,136**
Total liabilities and equity	**-**	**-**	**-**	**-**	**1,122**	**-**	**668,136**	**669,258**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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

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 30.06.2026	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	**389,218**	**-**	**-**	**-**	**-**	**-**	**389,218**
Deposits from customers	**640,139**	**161,454**	**-**	**-**	**-**	**-**	**801,593**
Deposits and placements of banks and other financial institutions	**2,241,679**	**367,143**	**-**	**-**	**-**	**-**	**2,608,822**
Derivative financial liabilities							
- Gross settled derivatives							
- Inflow	**(2,516,261)**	**(4,681,403)**	**(1,013,997)**	**-**	**-**	**-**	**(8,211,661)**
- Outflow	**2,505,858**	**4,682,732**	**1,009,434**	**-**	**-**	**-**	**8,198,024**
- Net settled derivatives	**542**	**840**	**1,848**	**3,465**	**(824)**	**-**	**5,871**
Lease liabilities	**465**	**1,087**	**1,081**	**4,085**	**1,660**	**-**	**8,378**
Other liabilities	**13,452**	**9**	**199,408**	**-**	**-**	**113**	**212,982**
Subordinated obligations	**-**	**2,061**	**2,049**	**8,220**	**8,220**	**112,341**	**132,891**
Total financial liabilities	**3,275,092**	**533,923**	**199,823**	**15,770**	**9,056**	**112,454**	**4,146,118**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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 30.06.2025	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

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
30.06.2026							
Liabilities							
Other liabilities	**-**	**-**	**1,122**	**-**	**-**	**-**	**1,122**
Total financial liabilities	**-**	**-**	**1,122**	**-**	**-**	**-**	**1,122**
30.06.2025							
Liabilities							
Other liabilities	-	-	1,115	-	-	-	1,115
Total financial liabilities	-	-	1,115	-	-	-	1,115

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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
30.06.2026			
Direct credit substitutes	**1,000**	**-**	**1,000**
Other commitments, such as formal standby facilities and credit lines	**-**	**30,000**	**30,000**
Any commitments that are unconditionally cancelled at anytime by the Group without prior notice	**916,287**	**-**	**916,287**
	917,287	**30,000**	**947,287**
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

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 statements 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	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Credit risk exposure relating to on-balance sheet assets:				
Short-term funds (exclude cash in hand)	**663,893**	417,205	**3,021**	2,376
Clients' and brokers' balances	**204,480**	176,607	**-**	-
Deposits and placements with banks and other financial institutions	**154,203**	278,241	**149,000**	234,260
Financial assets and investments portfolios (exclude shares and unit trust investment)				
- financial assets at FVTPL	**143,333**	208,517	**-**	-
- financial investments at FVOCI	**1,924,873**	2,089,747	**-**	-
- financial investments at amortised cost	**1,087,966**	1,188,840	**1,005**	1,974
Loans and advances	**218,713**	270,762	**-**	-
Other assets	**252,820**	233,603	**540**	893
Derivative financial assets	**88,592**	94,362	**-**	-
	4,738,873	4,957,884	**153,566**	239,503
Credit risk exposure relating to off-balance sheet items:				
Commitments and contingencies	**947,287**	941,605	**-**	-
Total maximum credit risk exposure	**5,686,160**	5,899,489	**153,566**	239,503

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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 2026 amounted to RM Nil (2025: 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 2026 for the Group is 100% (2025: 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 2026 for the Group is 100% (2025: 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.

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 internationals 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 2026

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 30.06.2026	(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	**303,407**	**-**	**-**	**303,407**
Fair	**444,401**	**-**	**-**	**444,401**
Un-graded	**70,288**	**-**	**-**	**70,288**
Gross carrying amount	**818,096**	**-**	**-**	**818,096**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**818,096**	**-**	**-**	**818,096**
Financial investments at FVOCI				
Good	**879,602**	**-**	**-**	**879,602**
Fair	**58,937**	**-**	**-**	**58,937**
Un-graded	**986,334**	**-**	**-**	**986,334**
Gross carrying amount	**1,924,873**	**-**	**-**	**1,924,873**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**1,924,873**	**-**	**-**	**1,924,873**
Financial investments at amortised cost				
Un-graded	**1,087,966**	**-**	**-**	**1,087,966**
Gross carrying amount	**1,087,966**	**-**	**-**	**1,087,966**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**1,087,966**	**-**	**-**	**1,087,966**
Loans and advances				
Un-graded	**211,789**	**7,263**	**-**	**219,052**
Gross carrying amount	**211,789**	**7,263**	**-**	**219,052**
Expected credit losses	**(336)**	**(3)**	**-**	**(339)**
Net carrying amount	**211,453**	**7,260**	**-**	**218,713**

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 30.06.2025	(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 2026

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 30.06.2026	(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	**152,021**	**-**	**-**	**152,021**
Gross/Net carrying amount	**152,021**	**-**	**-**	**152,021**
Financial investments at FVOCI				
Un-graded	**-**	**1,005**	**-**	**1,005**
Gross carrying amount	**-**	**1,005**	**-**	**1,005**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**-**	**1,005**	**-**	**1,005**
30.06.2025				
Short-term funds and placements with banks				
Fair	236,636	-	-	236,636
Gross/Net carrying amount	236,636	-	-	236,636
Financial investments at FVOCI				
Un-graded	-	1,974	-	1,974
Gross carrying amount	-	1,974	-	1,974
Expected credit losses	-	-	-	-
Net carrying amount	-	1,974	-	1,974

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(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	30.06.2026 RM'000	30.06.2025 RM'000
Neither past due nor impaired	**219,052**	271,095
Past due but not impaired	**-**	-
Individually impaired	**-**	-
Gross loans and advances	**219,052**	271,095
Less: Expected credit losses	**(339)**	(333)
Total net loans and advances	**218,713**	270,762

(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	30.06.2026 RM'000	30.06.2025 RM'000
Grading classification:		
- Un-graded	**219,052**	271,095

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.

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for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

(a) Loans and advances (continued)

(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.

(iii) Loans and advances that are individually determined to be impaired as at reporting date are as follows:

The Group	30.06.2026 RM'000	30.06.2025 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 below:

- AAA to AA3
- A1 to A3
- Baa1 to Baa3
- P1 to P3

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
30.06.2026							
Neither past due nor impaired	**818,096**	**203,468**	**143,333**	**1,924,873**	**1,087,966**	**253,124**	**88,592**
Individually impaired	**-**	**1,843**	**-**	**-**	**-**	**240**	**-**
Less: Impairment losses	**-**	**(831)**	**-**	**-**	**-**	**(544)**	**-**
	818,096	**204,480**	**143,333**	**1,924,873**	**1,087,966**	**252,820**	**88,592**
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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
30.06.2026			
Neither past due nor impaired	**152,021**	**1,005**	**540**
Individually impaired	**-**	**-**	**-**
Less: Impairment losses	**-**	**-**	**-**
	152,021	**1,005**	**540**
30.06.2025			
Neither past due nor impaired	236,636	1,974	893
Individually impaired	-	-	-
Less: Impairment losses	-	-	-
	236,636	1,974	893

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:

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
30.06.2026							
AAA to AA3	**273,358**	**-**	**21,235**	**800,339**	**-**	**171,530**	**54,682**
A1 to A3	**30,049**	**-**	**-**	**79,263**	**-**	**979**	**-**
Baa1 to Baa3	**-**	**-**	**-**	**58,937**	**-**	**-**	**-**
P1 to P3	**444,401**	**-**	**122,098**	**-**	**-**	**-**	**-**
Non-rated, of which:							
- Bank Negara Malaysia	**6**	**-**	**-**	**-**	**-**	**-**	**-**
- Malaysia Government Investment Issues	**-**	**-**	**-**	**333,004**	**681,621**	**-**	**-**
- Malaysian Government Securities	**-**	**-**	**-**	**215,187**	**406,345**	**-**	**-**
- Government guaranteed corporate bond and/or sukuk	**-**	**-**	**-**	**428,049**	**-**	**30,604**	**-**
- Others	**70,282**	**204,480**	**-**	**10,094**	**-**	**49,707**	**33,910**
	70,288	**204,480**	**-**	**986,334**	**1,087,966**	**80,311**	**33,910**
	818,096	**204,480**	**143,333**	**1,924,873**	**1,087,966**	**252,820**	**88,592**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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)

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							
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

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
30.06.2026	**152,021**	**-**	**-**
P1 to P3			
Non-rated, of which:	**-**	**1,005**	**540**
- Others	**-**	**1,005**	**540**
	152,021	**1,005**	**540**
30.06.2025	**236,636**	**-**	**-**
P1 to P3			
Non-rated, of which:	**-**	**1,974**	**893**
- Others	**-**	**1,974**	**893**
	236,636	**1,974**	**893**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(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.

(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 2026, 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	**30.06.2026 RM'000**	**30.06.2025 RM'000**
The effect of ECL on the positive changes in macroeconomic variable	**3**	3
The effect of ECL on the negative changes in macroeconomic variable	**(3)**	(3)

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:

The Group 30.06.2026	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	-	-	21,235	181,913	-	-	64,380	-	267,528	-
Construction	-	-	17,767	30,336	-	2,683	11,654	-	62,440	1,000
Transport, storage and communications	-	-	-	239,675	-	-	38,260	-	277,935	-
Finance, insurance, real estate and business services	818,090	59,059	99,391	849,818	-	710	43,024	88,592	1,958,684	30,000
Government and government agencies	6	-	-	604,901	1,087,966	-	30,604	-	1,723,477	-
Household	-	47,634	-	-	-	163,100	-	-	210,734	916,287
Others	-	97,787	4,940	18,230	-	52,220	64,898	-	238,075	-
	818,096	204,480	143,333	1,924,873	1,087,966	218,713	252,820	88,592	4,738,873	947,287

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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 30.06.2025	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	-	-	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

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
30.06.2026				
Finance, insurance, real estate and business services	**152,021**	**1,005**	**-**	**153,026**
Others	**-**	**-**	**540**	**540**
	152,021	**1,005**	**540**	**153,566**
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

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

43 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

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 (2025: Nil).

(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
30.06.2026				
Financial assets				
Financial assets at FVTPL	**280,248**	**143,333**	**-**	**423,581**
- quoted securities	**280,248**	**-**	**-**	**280,248**
- unquoted securities	**-**	**143,333**	**-**	**143,333**
Financial investments at FVOCI	**-**	**1,924,873**	**-**	**1,924,873**
- money market instruments	**-**	**700,231**	**-**	**700,231**
- unquoted securities	**-**	**1,224,642**	**-**	**1,224,642**
Derivative financial assets	**-**	**88,592**	**-**	**88,592**
	280,248	**2,156,798**	**-**	**2,437,046**
Financial liability				
Derivative financial liabilities	**-**	**80,292**	**-**	**80,292**
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

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
30.06.2026				
Financial asset				
Financial assets at FVTPL				
- quoted securities	**109,599**	**-**	**-**	**109,599**
30.06.2025				
Financial asset				
Financial assets at FVTPL				
- quoted securities	109,840	-	-	109,840

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 30.06.2026	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets					
Financial investments at amortised cost					
- money market instruments	**1,087,966**	**-**	**1,090,636**	**-**	**1,090,636**
Loans and advances	**218,713**	**-**	**218,713**	**-**	**218,713**
	1,306,679	**-**	**1,309,349**	**-**	**1,309,349**
Financial liabilities					
Deposits from customers	**799,140**	**-**	**799,140**	**-**	**799,140**
Deposits and placements of banks and other financial institutions	**2,500,817**	**-**	**2,500,817**	**-**	**2,500,817**
Subordinated obligations	**99,993**	**-**	**99,143**	**-**	**99,143**
	3,399,950	**-**	**3,399,100**	**-**	**3,399,100**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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 30.06.2025	Carrying amount RM'000	Fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total 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

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.

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 2026

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		
The Group 30.06.2026	Gross amount RM'000	Amount offset RM'000	Net amount reported on statements of financial position RM'000	Financial instruments RM'000	Financial collateral RM'000	Net amount RM'000
Financial assets						
Clients' and brokers' balances	**323,666**	**(119,186)**	**204,480**	**-**	**-**	**204,480**
Derivative financial assets	**88,592**	**-**	**88,592**	**(12,946)**	**(8,573)**	**67,073**
Total assets	**412,258**	**(119,186)**	**293,072**	**(12,946)**	**(8,573)**	**271,553**
Financial liabilities						
Clients' and brokers' balances	**508,404**	**(119,186)**	**389,218**	**-**	**-**	**389,218**
Derivative financial liabilities	**80,292**	**-**	**80,292**	**(12,946)**	**(21,762)**	**45,584**
Total liabilities	**588,696**	**(119,186)**	**469,510**	**(12,946)**	**(21,762)**	**434,802**

44 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The Group 30.06.2025	Effects of offsetting on statements of financial position			Related amounts not offset		
	Gross amount RM'000	Amount offset RM'000	Net amount reported on statements of financial position RM'000	Financial instruments RM'000	Financial collateral RM'000	Net amount 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

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 2026

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:

	30.06.2026		30.06.2025	
	Number of trust shares held '000	Market value RM'000	Number of trust shares held '000	Market value RM'000
The Group	**11,111**	**35,110**	11,111	36,443
The Company	**11,006**	**34,778**	11,006	36,099

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 2026.

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 156 to 266 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 2026 and financial performance of the Group and the Company for the financial year ended 30 June 2026, 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 2026.

Peter Ho Kok Wai
Director

Tan Kong Khoon
Director

Kuala Lumpur
18 September 2026

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 156 to 266 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 2026

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 2026, 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 2026 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 156 to 266.

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"), as applicable to audits of financial statements of public interest entities 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 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 it is probable that future taxable profit will be available against which the tax credits can be utilised. Deferred tax assets of RM46.8 million as at 30 June 2026 arose mainly 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 2026.

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 2026, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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.

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)

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

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 2026

FINANCIAL DATA FOR SHARIAH SCREENING DISCLOSURE

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data which are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	The Group 2026 RM'000	The Group 2025 RM'000
Interest income		**180,924**	195,174
Fee income		**147,394**	152,111
Other income	Net income from securities	**27,623**	14,483
Other income	Gain on disposal of property and equipment	**96**	-
Other income	Foreign exchange gain	**14,992**	7,993
Other income	Other non-operating income	**620**	676
Total		**371,649**	370,437
Total Assets		**5,144,947**	5,350,046

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	The Group 2026 RM'000	The Group 2025 RM'000
Interest income		**180,742**	194,998
Conventional banking & finance and related services		**20,141**	31,798
Stockbroking and share trading business		**73,983**	77,196
Conventional funds management, financial advisory and related services		**47,731**	38,142
Dividend income received from conventional shares and instruments		**7,353**	8,029
Gain/(loss) from investment in conventional instruments		**20,270**	6,454
Other income	Gain on disposal of property and equipment	**96**	-
Other income	Foreign exchange gain	**14,992**	7,993
Other income	Other non-operating income	**613**	657
Total		**365,921**	365,267

FINANCIAL DATA FOR SHARIAH SCREENING DISCLOSURE

(C) Component of Financial Position

(i) Cash Component

	The Group	
	2026 RM'000	2025 RM'000
Islamic Account/Instruments		
Cash at bank	**737**	3,616
Deposits with licensed bank	**6,800**	3,040
Total	**7,537**	6,656
Conventional Account/Instruments		
Cash at bank	**91,625**	125,526
Deposits with licensed bank	**718,939**	563,271
Financial assets/instruments	**1,757,114**	1,543,645
Money market instruments	**1,788,197**	2,347,507
Unit trust funds	**109,822**	110,056
Total	**4,465,697**	4,690,005

(ii) Debt Component

		The Group	
Conventional Borrowing	**Remarks**	2026 RM'000	2025 RM'000
Other interest bearing debt	Lease liabilities	**7,765**	11,142
Other interest bearing debt	Multi-currency Tier 2 Subordinated Notes	**99,993**	99,958
Total		**107,758**	111,100

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting ("AGM") of Hong Leong Capital Berhad ("Company") will be held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 27 October 2026 at 2.30 p.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 2026.

2. To approve the payment of Director Fees of RM517,000 for the financial year ended 30 June 2026, 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 RM80,000 from the Thirty-Fifth AGM to the Thirty-Sixth AGM of the Company. **(Resolution 2)**

4. To re-elect Ms Teh Muy Ch'ng as a Director pursuant to the Company's Constitution. **(Resolution 3)**

5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

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 5)**

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 28 September 2026 ("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 6)**

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 28 September 2026 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 7)**

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
28 September 2026

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 2026 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 as defined under the Securities Industry (Central Depositories) Act, 1991, 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 which holds ordinary shares of the Company 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 Damanlela, 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 Malaysia Securities Berhad, 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 RM517,000 are inclusive of Board Committee Fees of RM171,000 and Meeting Allowance of RM76,000.

2. Resolution 2 on Directors' Other Benefits

Directors' Other Benefits refer to Directors' training benefits of up to RM80,000.

3. Resolution 3 on Re-election of Director

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Company, supports the re-election of Ms Teh Muy Ch'ng, who was appointed as an Independent Non-Executive Director of the Company on 21 September 2026 and is due to retire at the Thirty-Fifth AGM pursuant to Clause 92 of the Company's Constitution. The NRC had conducted assessment on the fitness and propriety of Ms Teh Muy Ch'ng, including a review of her Fit and Proper ("F&P") Declaration and result of her background checks, and was satisfied that she met the F&P criteria prescribed under the F&P Policy for Directors and Chief Executive Officer of the Company. In addition, the NRC had also assessed the declaration made by Ms Teh Muy Ch'ng confirming that she fulfilled the Independent Director criteria as set out in the relevant regulatory requirements, and found it to be in order.

Ms Teh Muy Ch'ng had abstained from deliberations and decisions on her re-election at the Board.

The profile and details of Ms Teh Muy Ch'ng are set out in the Board of Directors' Profile section of the Company's 2026 Annual Report.

Ms Tai Siew Moi, who is due to retire pursuant to the Company's Constitution, has indicated that she will not seek re-election at the Thirty-Fifth AGM. Accordingly, she will retire from office upon the conclusion of the Thirty-Fifth AGM.

NOTICE OF ANNUAL GENERAL MEETING

4. Resolution 5 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 any 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 2025 and which will lapse at the conclusion of the Thirty-Fifth 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 6 and 7 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 28 September 2026 which is available on the Company's corporate website (https://www.hlcap.com.my/agm2026).

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 standing for election as a Director at the forthcoming Thirty-Fifth 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-Fifth 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 2026

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 2026

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	83	1.63	1,892	0.00
100 – 1,000	1,486	29.20	1,060,893	0.43
1,001 – 10,000	2,721	53.48	11,327,089	4.59
10,001 – 100,000	730	14.35	20,807,636	8.42
100,001 – less than 5% of issued shares	67	1.32	39,894,100	16.16
5% and above of issued shares	1	0.02	173,805,058	70.40
	5,088	100.00	246,896,668	100.00

List of Thirty Largest Shareholders as at 4 September 2026

	Name of Shareholders	No. of Shares	%
1.	Hong Leong Financial Group Berhad	173,805,058	70.40
2.	MTrustee Berhad - Exempt AN for Hong Leong Capital Berhad (ESOS)	11,005,700	4.46
3.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for Kenanga Investors Bhd	9,710,145	3.93
4.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	3,054,800	1.24
5.	Tong Chin Hen	1,763,500	0.71
6.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (PHEIM)	1,325,000	0.54
7.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Chee Choon	967,000	0.39
8.	HSBC Nominees (Asing) Sdn Bhd - Societe Generale Paris	720,000	0.29
9.	LTK (Melaka) Sdn Bhd	505,800	0.20
10.	Goh Eng Hoe	440,300	0.18
11.	Koh Ah Tee @ Koh Jit Chai	440,000	0.18
12.	Sim Ah Yoong	430,000	0.17
13.	Chay Chee Ken	420,600	0.17

2. ANALYSIS OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2026 (CONTINUED)

List of Thirty Largest Shareholders as at 4 September 2026 (Continued)

	Name of Shareholders	No. of Shares	%
14.	Lim Ah Hock	401,000	0.16
15.	Wong Ah Choo	333,000	0.13
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Chee Choon	300,000	0.12
17.	Chong Chiew Tshung	290,000	0.12
18.	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Kenanga Investors Bhd	289,855	0.12
19.	Kwang King Chuan	280,000	0.11
20.	Chow Wen Chin	264,400	0.11
21.	Lee Jim Leng	250,000	0.10
22.	Khaw Khoon Tee	240,500	0.10
23.	Chong Cheng Sing	217,700	0.09
24.	Tan En Chong	210,000	0.09
25.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Kwan Foong	200,000	0.08
26.	Lee Guan Huat	191,900	0.08
27.	LTK (Melaka) Sdn Bhd	187,400	0.08
28.	Tang Kwee Seng	186,000	0.07
29.	Chua Ang Sia	181,200	0.07
30.	Cartaban Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	175,300	0.07
		208,786,158	84.56

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 4 September 2026 are as follows:

	Direct Interest		Indirect Interest	
Name of Shareholders	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

OTHER INFORMATION

3. DIRECTORS' INTERESTS AS AT 4 SEPTEMBER 2026

Subsequent to the financial year end, there is no change, as at 4 September 2026, 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 152 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	32	1,602	31/12/1993

FORM OF PROXY

HongLeong Capital Berhad
Registration No. 199101002695 (213006-U)

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-Fifth Annual General Meeting of the Company to be held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 27 October 2026 at 2.30 p.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 Ms Teh Muy Ch'ng as a Director		
4.	To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
5.	To approve the ordinary resolution on Authority to Directors to Allot Shares		
6.	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		
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 Tower Real Estate Investment Trust		

Dated this_____day of_____2026

_____ _____

Number of shares held Signature(s) of Member

_____

CDS Account No.

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 2026 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.*
2. *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.*
3. *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.*
4. *A proxy may but need not be a member of the Company.*
5. *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 which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.*
6. *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).*
7. *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.*
8. *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 Damanlela, 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.*
9. *In the event two (2) or more proxies are appointed, please fill in the ensuing section:*

Name of Proxies	% of shareholdings to be represented

10. *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 a vote by way of a poll.*
11. *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.*

Fold this flap for sealing

Then fold here

AFFIX STAMP

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
Malaysia

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Hong Leong Capital Berhad
Registration No. 199101002695 (213006-U)

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