

**HONG LEONG FINANCE LIMITED**  
ANNUAL REPORT 2025

ADVANCING WITH **YOU**



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“Advancing With You” reflects Hong Leong Finance’s focus, strategic direction and key initiatives in 2025. We made steady progress in our transformation and digitalisation journey, strengthening our capabilities as we continue to serve, grow and advance alongside our stakeholders. The recognition from esteemed organisations reflects not only our achievements, but also the trust placed in us. Looking ahead, we remain focused on sustainable growth, strong governance and long-term partnerships, advancing with our stakeholders to meet evolving needs and create enduring value.



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Hong Leong Finance website

# OVERVIEW

## OUR MISSION

To be a leading Singapore-focused, diversified financial services company that offers superior service levels and value propositions in our chosen niche markets for SMEs and consumers.

## OUR PURPOSE

To help people and business prosper by earning the trust of employees, customers, shareholders and communities, and promoting a strong risk culture.

## OUR CULTURE

We treat everyone with respect and value our employees, customers, shareholders and communities. We are committed to high standards, operations excellence, risk management and business integrity.



### DIVIDENDS DECLARED

**S\$57.2**  
million

### SHAREHOLDERS' FUNDS

**S\$2,116**  
million

### DEPOSITS

**S\$12,299**  
million

### LOANS

**S\$12,098**  
million

## AWARDS AND ACCOLADES

### RECOGNISED FINANCE PARTNER OF CHOICE

#### ASEAN FINANCE COMPANY OF THE YEAR

(Twelfth Consecutive Year)  
Asian Banking & Finance

#### TOP 1000 WORLD BANKS

(Eighth Consecutive Year)  
The Banker

#### BEST

AUTOMOBILE FINANCING PRODUCT  
IN ASIA PACIFIC

TAB Global Excellence in  
Retail Finance Awards  
The Asian Banker

#### TOP 100 MOST VALUABLE SINGAPOREAN BRAND

(Eighth Consecutive Year)  
Brand Finance

#### SBR TECHNOLOGY EXCELLENCE AWARDS

API - Financial Services  
Singapore Business Review

### COMMITMENT TO TRANSPARENCY, GOVERNANCE AND PURPOSE

#### MOST TRANSPARENT COMPANY AWARD (BIG CAP)

SIAS Investors' Choice Awards  
Securities Investors Association (Singapore)

#### TOP 5% IN SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX

(Among Singapore-Listed Companies)  
CPA Australia, NUS Business School's Centre for Governance and Sustainability,  
Singapore Institute of Directors and The Business Times

#### COMPANY OF GOOD

(1 Heart)  
National Volunteer & Philanthropy Centre

## CORPORATE PROFILE



"WITH OVER SIX DECADES OF EXPERIENCE, HLF HAS EMERGED AS SINGAPORE'S TRUSTED AND AWARD-WINNING FINANCE COMPANY."

Hong Leong Finance Limited ("HLF") is a financial institution within Hong Leong Group Singapore. Founded in 1961, HLF embarked on its journey as a medium-sized enterprise before becoming Singapore's largest finance company. Initially listed on the Stock Exchange of Singapore as Singapore Finance Ltd. in 1974, HLF has since built a legacy of excellence and innovation in the financial sector.

#### AWARDS AND ACCOLADES

HLF earned prestigious accolades, reflecting its commitment to excellence. HLF was named 'Top 1000 World Banks' by The Banker for the eighth consecutive year and 'ASEAN Finance Company of the Year' by Asian Banking & Finance for the twelfth consecutive year. In addition, HLF received 'Best Automobile Financing Product in Asia Pacific' at the TAB Global Excellence in Retail Finance Awards by The Asian Banker and the 'Most Transparent Company Award (Big Cap)' at the SIAS Investors' Choice Awards.

#### A LEGACY OF SERVICE AND INNOVATION

With over six decades of experience, HLF has emerged as Singapore's trusted and award-winning finance company. It offers a diverse portfolio encompassing a wide range of financial services, including deposits and savings for both business and individual customers, government assistance programmes for Small and Medium-sized Enterprises ("SME"), corporate finance, and advisory services for corporate entities.

#### SERVING BUSINESSES AND CONSUMERS

HLF has been recognised as a supporter of businesses and individual consumers, providing financial solutions to meet their needs. For the SME and corporate segment, HLF actively supports their development through initiatives such

as the Local Enterprise Finance Scheme and the industry-wide electronic Guarantee programme, underscoring its commitment to empowering businesses. HLF is also the sole finance company in Singapore with full sponsorship status for the SGX Catalist Board, demonstrating its dedication to fostering growth within the business community.

In addition to its business segment, HLF serves the consumer market with financing and deposit products, supporting individuals in areas such as housing and vehicle ownership, savings and wealth accumulation. Through a prudent and customer-centric approach, HLF seeks to promote financial inclusion and long-term financial well-being for both businesses and consumers.

#### CUSTOMER-CENTRICITY AND COMMUNITY ENGAGEMENT

HLF operates a network of 28 branches and 13 SME Centres strategically located throughout Singapore and focuses on personalised service and proximity to customers. Notably, HLF ranks among the 'Top 100 Most Valuable Singaporean Brand' by Brand Finance, testament of its presence and reputation within the market.

#### COMMITMENT TO SUSTAINABILITY

HLF is dedicated to conducting business profitably, responsibly, and sustainably. Embracing a customer-centric culture, the company prioritises continuous upskilling of employees, proactive customer support and omnichannel accessibility to enhance the overall customer experience. Moreover, HLF remains steadfast in integrating environmental, social, and governance considerations into its business operations while actively seeking growth opportunities and managing risks effectively.



UNDERSTANDING **YOUR** NEEDS

BUILDING LONG-TERM RELATIONSHIPS WITH TRUSTED CUSTOMERS

INNOVATING FOR **YOU**  
ENHANCING EXPERIENCES THROUGH DIGITALISATION





GROWING WITH **YOU**

DRIVING GREATER COMMUNITY AND STAKEHOLDER GROWTH

## FIVE-YEAR FINANCIAL SUMMARY

		FY2025	FY2024	FY2023	FY2022	FY2021
<b>CAPITAL EMPLOYED</b>						
Total assets	\$million	<b>14,763</b>	14,634	14,957	14,276	12,952
Net equity	\$million	<b>2,116</b>	2,108	2,060	2,041	1,963
Net assets per share	\$	<b>4.71</b>	4.70	4.59	4.55	4.38
<b>SHARE CAPITAL</b>						
Number of shares in issue	million	<b>449.7</b>	448.6	448.5	448.1	447.8
<b>LOANS AND DEPOSITS</b>						
Loans net of allowances	\$million	<b>12,098</b>	11,668	11,659	11,651	10,695
Deposits	\$million	<b>12,299</b>	12,300	12,648	12,030	10,807
<b>PROFIT AND RETAINED EARNINGS</b>						
Profit before tax	\$million	<b>75.5</b>	124.8	112.0	157.1	101.9
Profit after tax	\$million	<b>62.7</b>	104.1	93.4	130.9	84.8
Interim/final dividend(s) declared in the year	\$million	<b>57.2</b>	57.2	75.1	53.8	41.4
Earnings retained for the year	\$million	<b>5.5</b>	46.9	18.3	77.1	43.4
<b>EARNINGS PER SHARE AND DIVIDENDS</b>						
Earnings per share	cents	<b>14.0</b>	23.2	20.8	29.2	18.9
Dividend – tax exempt one-tier*	cents	<b>8.90</b>	13.75	12.5	17.0	12.0
Times covered*		<b>1.6</b>	1.7	1.7	1.7	1.6
<b>Number of Employees</b>		<b>636</b>	632	619	606	608

\* Dividend per share and times covered are stated based on the interim/final dividend(s) declared/proposed in respect of each financial year. This differs from the accounting treatment whereby dividends are accounted for in the year declared regardless of the financial year to which they relate.

## FINANCIAL HIGHLIGHTS

### TOTAL ASSETS (\$ mil)

FY 2025 14,763

FY 2024 14,634

### PROFIT BEFORE TAX (\$ mil)

FY 2025 75.5

FY 2024 124.8

### LOANS NET OF ALLOWANCES (\$ mil)

FY 2025 12,098

FY 2024 11,668

### PROFIT AFTER TAX (\$ mil)

FY 2025 62.7

FY 2024 104.1

### DEPOSITS (\$ mil)

FY 2025 12,299

FY 2024 12,300

### INTERIM/FINAL DIVIDEND(S) DECLARED IN THE YEAR (\$ mil)

FY 2025 57.2

FY 2024 57.2

### EARNINGS PER SHARE (cents)

FY 2025 14.0

FY 2024 23.2

## CHAIRMAN'S STATEMENT



"BUILDING ON RECENT MOMENTUM, WE MADE PROGRESS IN DIGITAL TRANSFORMATION, GROWTH INITIATIVES, SECURITY, RISK MANAGEMENT, WORKFORCE DEVELOPMENT AND SUSTAINABILITY, TO ENHANCE LONG-TERM VALUE."

**KWEK LENG BENG**  
CHAIRMAN

### OPERATING PERFORMANCE

In 2025, the operating environment was marked by global uncertainties and a declining benchmark interest rate cycle, which moderated our earnings. Despite this challenging context, we remained focused on disciplined balance sheet management, operational efficiency, and long-term strategic priorities. This enabled us to achieve a full-year net profit of S\$62.7 million.

Building on recent momentum, we made progress in digital transformation, growth initiatives, security, risk management, workforce development and sustainability, to enhance long-term value.

### Digital Transformation

As part of our multichannel approach, we leveraged technology and an integrated service model to meet the evolving needs of digitally savvy consumers, while maintaining the personalised service that we are known for.

A key milestone was the official launch of the HLF Digital application which provides customers with round-the-clock convenience for financial transactions. As at end 2025, HLF Digital recorded more than 18,000 sign-ups and approximately S\$1 billion had been digitally transacted through the platform. In line with our strategy, HLF Digital also contributed to deposit growth, improving funding efficiency.

Our vehicle loans digital platform was awarded 'Best Automobile Financing Product' at The Asian Banker Global Excellence in Retail Finance Awards, and the Singapore Business Review Technology Excellence Awards. By streamlining the loan application process for car dealers and customers, the platform has been our differentiator and strengthened our leading market position – including in the electric cars segment where we attained a 13% year-on-year increase in the amount of loans processed.

To tap a high-growth catchment area, we opened a new branch at Punggol Coast Mall in December 2025. Designed with privacy-enhanced teller booths and a dynamic digital LED art wall, the branch provides an elevated experience. This strategic branch opening caters to the rising demand for financial products and services driven by Punggol's population growth and developments such as the Punggol Digital District.

### Growth Initiatives

Guided by our commitment to customer-centric financing, we continued to broaden our suite of solutions to deliver greater value and convenience.

To better support the evolving needs of Small and Medium-sized Enterprises (SMEs), we introduced bundled financing that pairs Commercial Property Loans (CPLs) with Working

"WITH A CLEAR STRATEGIC DIRECTION AND A RESILIENT FOUNDATION, WE HAVE CONFIDENCE IN MANAGING UNCERTAINTIES AND CAPTURING OPPORTUNITIES AHEAD."

Capital Loans. This provides SMEs with long-term property financing alongside short-term working capital liquidity within a single package, enhancing funding agility and enabling more sustainable business expansion. As interest rates moderate, SMEs can benefit from lower overall financing costs while strengthening day-to-day cashflow management, reinforcing our role as a trusted finance partner.

We also expanded our Medical Financing offerings with a new clinic and GST bridging loan bundled with our CPLs. This integrated package offers holistic support for practice expansion and cashflow needs.

To help SMEs to transition to greener practices, we enhanced our SME Green Finance Framework by introducing an additional category for eco-efficient and/or circular economy adapted products, production technologies and processes. This will further promote resource efficiency, innovation, and sustainability within the business community.

2025 also marked our admission as an Ordinary Member of the Singapore Clearing House Association, providing direct access to Singapore's national clearing and settlement systems. This enables us to process payments and deposits more efficiently and enhances transactional convenience for customers.

These initiatives reflect our dedication to putting customers at the centre of what we do. We are honoured to be conferred the 'ASEAN Finance Company of the Year' for the twelfth consecutive year by Asian Banking & Finance and a 'Top 100 Most Valuable Singaporean Brand' by Brand Finance for the eighth consecutive year.

### Security and Risk Management

With rising digital threats and financial crime, protecting our organisation and customers remained a key priority. We bolstered anti-scams policies, technology risk management and third-party risk oversight. In addition, we expanded staff training and drove community outreach with the Singapore Police, alongside customer education across multiple touchpoints.

In credit risk management, we introduced a rating model to guide lending decisions, enabling more consistent risk assessment and reinforcing portfolio quality.

### Our People

Our employees are pivotal to our success. We continued to build a culture of continuous learning for performance. Average learning hours per staff increased by about 40% year-on-year, with a focus on core areas such as compliance, risk awareness, digital literacy, and technical competencies. This will equip employees with the skills to thrive in a rapidly evolving environment.

To promote the well-being of employees, we continued to foster an inclusive and supportive workplace where every individual can contribute meaningfully to our success.

### Sustainability

Sustainability underpins our strategic priorities for responsible growth. HLF is committed to achieving Net Zero for operational Scope 1 and 2 emissions by 2050, aligning with Singapore's national low-carbon ambitions.

Our sustainability disclosures continued to be guided by global standards and 2025 marked the first year we referenced the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board and the SASB Financials Sector Standards on Consumer Finance. We also joined the Alliance for Sustainability Innovation, supporting cross-industry collaboration and knowledge exchange.

Affirming our transparency and contributions across people, society, governance, environment, and economic dimensions, we were conferred the 'Most Transparent Company (Big Cap Category)' at the SIAS Investors' Choice Awards 2025 and 'Company of Good' by the National Volunteer & Philanthropy Centre.

### OUTLOOK

The outlook for the global economy remains tempered by geopolitical uncertainties and trade-related frictions. At the same time, the continued acceleration of digitalisation brings heightened cybersecurity and operational risks.

Notwithstanding the challenges, we remain confident in our ability to deliver enduring value to our stakeholders. Our disciplined risk management and sustained investments in digital innovation, security and workforce capability provide a strong platform for continued growth. With a clear strategic direction and a resilient foundation, we have confidence in managing uncertainties and capturing opportunities ahead.

### APPRECIATION

I would like to express my appreciation to our valued customers, partners and shareholders for their trust and support. I extend my gratitude to our Board of Directors for their counsel and stewardship, and to our management team and employees for their dedication and commitment to excellence.

**KWEK LENG BENG**  
Chairman  
25 February 2026

## DIRECTORY OF SERVICES

### SME LOANS

- Accounts Receivable Financing/Factoring
- Block Discounting
- Enterprise Financing Scheme
  - SME Working Capital Loan
  - Trade
- Equipment and Commercial Vehicle Loan
- Floor Stock Financing
- Medical Equipment Loan
- Medical Property Loan
- Medical Working Capital Loan
- Property Development Loan
- Rental Vehicle Fleet Financing
- SME BizCap Working Capital Loan
- SME Property Loan
- Suppliers' Invoice Financing
- Term Loan / Revolving Loan
- Vehicle and Charger Green Loans

### PERSONAL LOANS

- Car Loans
  - New and Used Cars
  - Vehicle-Green Loan
- Home Loans
  - For Private Property
  - For Public Housing (HDB)
- Mortgage Equity @50
- Premium Financing
- Share Financing

### DEPOSITS AND SAVINGS

- Business Current Account
- Fixed Deposit Account
- Fixed Savings Account
- Golden 55 Plus Account
- Premium SAVER Account
- Savings Account
- Silver 40 Plus Account

### CORPORATE FINANCE

#### Financial Advisory (Main Board and Catalyst)

- Financial Advisory including Mergers and Acquisitions
- Independent Financial Advisory
- Restructuring Advisory
- Continuing Sponsorship (Catalist)

#### Equity Capital Market and Equity Fund Raising (Main Board and Catalyst)

- Initial Public Offerings
- Dual and Secondary Listings
- Placement of Shares and Right Issues
- Other fund raisings

### SERVICES

- Guarantee (including eGuarantee)
- HLF Digital
- Safe Deposit Box

## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

- Executive Director  
**Kwek Leng Beng**  
Board Chairman & Managing Director
- Lead Independent Director  
**Peter Chay Fook Yuen**
- Independent Non-Executive Directors  
**Tan Tee How**  
**Tan Siew San**  
**Christian Gautier de Charnace**  
**Clarence Yeo Gek Leong**  
**Jeann Low Ngiap Jong**
- Non-Independent Non-Executive Directors  
**Kwek Leng Peck**  
**Kwek Leng Kee**  
**Kevin Hangchi**

### EXECUTIVE COMMITTEE

- Kwek Leng Beng**  
Chairman
- Kwek Leng Peck**  
also as alternate to Chairman
- Tan Tee How**  
Independent
- Tan Siew San**  
Independent
- Clarence Yeo Gek Leong**  
Independent

### AUDIT COMMITTEE

- Peter Chay Fook Yuen**  
Independent, Chairman
- Tan Tee How**  
Independent
- Clarence Yeo Gek Leong**  
Independent
- Jeann Low Ngiap Jong**  
Independent

### BOARD RISK COMMITTEE

- Tan Tee How**  
Independent, Chairman
- Kwek Leng Beng**
- Kwek Leng Peck**
- Kevin Hangchi**
- Peter Chay Fook Yuen**  
Independent
- Tan Siew San**  
Independent
- Christian Gautier de Charnace**  
Independent

### NOMINATING COMMITTEE

- Tan Siew San**  
Independent, Chairman
- Kwek Leng Beng**
- Peter Chay Fook Yuen**  
Independent

### REMUNERATION COMMITTEE

- Peter Chay Fook Yuen**  
Independent, Chairman
- Tan Siew San**  
Independent
- Clarence Yeo Gek Leong**  
Independent

### HONG LEONG FINANCE SHARE OPTION SCHEME 2001 COMMITTEE

- Peter Chay Fook Yuen**  
Independent, Chairman
- Kwek Leng Peck**
- Tan Siew San**  
Independent
- Clarence Yeo Gek Leong**  
Independent

### BOARD SUSTAINABILITY COMMITTEE

- Kevin Hangchi**  
Chairman
- Clarence Yeo Gek Leong**  
Independent
- Jeann Low Ngiap Jong**  
Independent

### PRESIDENT

- Ang Tang Chor**  
(Please refer to page 32 of this Annual Report for additional information on the President)

### SECRETARIES

- Enid Ling Peek Fong**
- Ng Siew Ping, Jaslin**

### REGISTERED OFFICE

- 16 Raffles Quay #01-05  
Hong Leong Building  
Singapore 048581  
Tel : 6415 9433  
Fax : 6224 6773  
Email : customerservice@hlf.com.sg

### SHARE REGISTRAR & SHARE TRANSFER OFFICE

- Boardroom Corporate & Advisory Services Pte. Ltd.**  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
Tel : 6536 5355  
Fax : 6536 1360

### INVESTOR RELATIONS

- Tel : 6415 9570  
Email : ir@hlf.com.sg

### AUDITORS

- KPMG LLP**  
Public Accountants and Chartered Accountants, Singapore  
12 Marina View #15-01  
Asia Square Tower 2  
Singapore 018961  
(Partner-in-charge: Tan Chun Wei (Chen Junwei), appointed from commencement of audit of financial statements for the financial year ended 31 December 2023)

### BANKERS

- Australia and New Zealand Banking Group Limited
- BNP Paribas
- CIMB Bank Berhad
- DBS Bank Ltd
- HL Bank
- Industrial and Commercial Bank of China
- Malayan Banking Berhad
- Mizuho Bank, Limited
- MUFG Bank, Ltd.
- Oversea-Chinese Banking Corporation Limited
- Sumitomo Mitsui Banking Corporation
- Sumitomo Mitsui Trust Bank
- The Hongkong and Shanghai Banking Corporation Limited
- United Overseas Bank Limited

## BOARD OF DIRECTORS



**KWEK LENG BENG**



**KWEK LENG PECK**



**KWEK LENG KEE**



**KEVIN HANGCHI**



**PETER CHAY FOOK YUEN**



**TAN TEE HOW**



**TAN SIEW SAN**



**CHRISTIAN GAUTIER  
DE CHARNACE**



**CLARENCE  
YEO GEK LEONG**



**JEANN  
LOW NGIAM JONG**

### **KWEK LENG BENG - 85** CHAIRMAN / EXECUTIVE DIRECTOR

**First appointment as Director**  
1 March 1979

**Appointment as Executive Chairman**  
28 November 1984

**Last re-election as Director**  
24 April 2025

**Board committees**

- Executive Committee (Chairman)
- Board Risk Committee (Member)
- Nominating Committee (Member)

**Present directorships in other listed companies and principal commitments**

- City Developments Limited\* (“CDL”) (Executive Chairman)
- Hong Leong Investment Holdings Pte. Ltd. (Executive Chairman)
- Millennium & Copthorne Hotels Limited (Executive Chairman)

**Other appointments**  
Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**  
Nil

Mr Kwek has extensive experience in the finance business, having grown from day one with the original Hong Leong Finance Limited which has since merged its finance business with Singapore Finance Limited (now known as Hong Leong Finance Limited). He also has extensive experience in the real estate business. He joined CDL in the late 1960s and since then has contributed significantly to building CDL’s six decades of track record. He grew the CDL group’s hospitality arm and has been actively involved in its development into Singapore’s largest international hotel group and one of the largest hotel owners and operators in the world. Mr Kwek is also experienced in the trading and manufacturing sectors.

Mr Kwek has received numerous accolades as follows:

1997 - “Businessman of the Year 1996” by Singapore Business Awards, organised by The Business Times and DHL.

2012 - “Partners in the Office of the CEO” award in the Brendan Wood International – Securities Investors Association Singapore (SIAS) TopGun CEO Designation Award with the late Mr Kwek Leng Joo (former Deputy Chairman of CDL). This award is given to CEOs who are best in class as rated by shareholders.

2014 - Inaugural Real Estate Developers’ Association of Singapore (REDAS) Lifetime Achievement Award which honours a pioneering group of real estate leaders.

2015 - Singapore Chinese Chamber of Commerce and Industry (SCCCI) SG50 Outstanding Chinese Business Pioneers Award. The award honours the Republic’s outstanding Chinese business pioneers and their exemplary contributions to nation-building.

2015 - Lifetime Achievement Award from Hotel Investment Conference Asia Pacific (HICAP). This accolade honours exceptional individuals who have distinguished themselves through accomplishments and contributions to the hotel industry.

2017 - Lifetime Achievement Award at the Asia Pacific Entrepreneurship Awards organised by Enterprise Asia, a regional non-governmental organisation for entrepreneurship. The award was in recognition of outstanding achievements, visionary leadership and steadfast dedication that led to the successful growth of the Hong Leong Group for over five decades.

2017 - Inaugural Global Blue Ocean Shift Award, given at the Global Entrepreneurship Community Summit in Kuala Lumpur.

2018 - Singapore Tatler Diamond Award (Lifetime Achievement) 2018, in recognition of his exceptional leadership that led Hong Leong Group to grow into a globally diversified enterprise.

2020 - EY Family Business Award of Excellence. Received on behalf of Hong Leong Group, Singapore, this award celebrated the Group’s successful, sustainable and long-term oriented strategy, effective and transparent corporate governance approach, and significant socio-economic contributions.

Mr Kwek holds a law degree, LL.B. (London) and is a Fellow of Singapore Institute of Directors and Chartered Secretaries Institute of Singapore. He was also conferred an Honorary Doctorate of Business Administration in Hospitality from Johnson & Wales University (Rhode Island, US) and an Honorary Doctorate from Oxford Brookes University (UK).

**Note:**

Hong Leong Investment Holdings Pte. Ltd. is the immediate and ultimate holding company of the Company. City Developments Limited (“CDL”) is a related company under the Hong Leong Group, Singapore. Millennium & Copthorne Hotels Limited is a subsidiary of CDL.

\* listed company  
Information as at 9 March 2026

# BOARD OF DIRECTORS

## KWEK LENG PECK - 69 NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

**First appointment as Director**  
1 January 1998

**Last re-election as Director**  
24 April 2025

**Board committees**

- Executive Committee (Member, and also as alternate to the Chairman)
- Board Risk Committee (Member)
- Hong Leong Finance Share Option Scheme 2001 Committee (Member)

**Present directorships in other listed companies and principal commitments**

- China Yuchai International Limited\* (Non-Executive Director)
- Hong Leong Asia Ltd.\* (“HLA”) (Executive Chairman)
- Hong Leong Corporation Holdings Pte. Ltd. (Executive Director)
- Hong Leong Investment Holdings Pte. Ltd. (Executive Director)
- Hong Realty (Private) Limited (Executive Director)
- Tasek Corporation Berhad (Non-Executive Chairman)

**Other appointments**

Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**

Nil

Mr Kwek has many years of experience in trading, manufacturing, property investment and development, hotel operations, corporate finance and management as well as extensive involvement in Hong Leong Group, Singapore's real estate developments, investments and hotel operations.

With his in-depth knowledge of the HLA group's business, Mr Kwek has overseen the growth of the HLA group over the last four decades from an integrated building materials group in the 1980s and 1990s to being also a major player in the diesel engine industry in China beginning in the 2000s.

**Note:**

Hong Leong Investment Holdings Pte. Ltd. is the immediate and ultimate holding company of the Company. Hong Leong Asia Ltd., Tasek Corporation Berhad, China Yuchai International Limited, Hong Leong Corporation Holdings Pte. Ltd. and Hong Realty (Private) Limited are related companies under the Hong Leong Group, Singapore.

\* listed company  
Information as at 9 March 2026

## KWEK LENG KEE - 71 NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

**First appointment as Director**  
1 September 2001

**Last re-election as Director**  
25 April 2024

Will be seeking re-election at the 2026 Annual General Meeting

**Board committees**

Nil

**Present directorships in other listed companies and principal commitments**

- Hong Leong Holdings Limited (“HLH”) (Assistant Managing Director)
- Tripartite Developers Pte. Limited (Director)
- Intrepid Investments Pte. Ltd. (Managing Director)

**Other appointments**

Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**

Nil

Mr Kwek has more than 40 years of experience in property investment, property development and the building and construction materials business. As the Assistant Managing Director of HLH, he spearheaded the establishment, and oversees the operation, of its subsidiary in Chengdu, People's Republic of China since 2012. Prior to that, he also had many years of experience in a large Beijing project which was successfully completed in 1996. He continues to be a director of Beijing Hong Gong Garden Villa House Property Development Co., Ltd.

He was also appointed as Justice of the Peace by the President of the Republic of Singapore in May 2008 and was also awarded the Public Service Medal (PBM) in 1998, Public Service Star (BBM) in 2004 and the Public Service Star (Bar) on National Day 2014 in recognition of his significant contributions in public service and community work and support towards Singapore.

**Note:**

Hong Leong Investment Holdings Pte. Ltd. is the immediate and ultimate holding company of the Company. Hong Leong Holdings Limited, Tripartite Developers Pte. Limited and Intrepid Investments Pte. Ltd. are related companies under the Hong Leong Group, Singapore.

Information as at 9 March 2026

## KEVIN HANGCHI - 53 NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

**First appointment as Director**  
1 October 2016

**Last re-election as Director**  
25 April 2024

Will be seeking re-election at the 2026 Annual General Meeting

**Board committees**

- Board Sustainability Committee (Chairman)
- Board Risk Committee (Member)

**Present directorships in other listed companies and principal commitments**

- Hong Leong Management Services Pte Ltd (Senior Vice President)
- Millennium & Copthorne Hotels New Zealand Limited\* (Non-Executive Director)

**Other appointments**

Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**

Nil

Mr Hangchi joined the Hong Leong Group, Singapore in 1999 and has garnered extensive global transactional experience across many of the Hong Leong Group, Singapore's entities which include listings and public offerings, mergers and acquisitions as well as capital markets issuances and banking facilities. Prior to that, he was an Advocate and Solicitor in Allen & Gledhill LLP from 1997 to 1999.

Mr Hangchi graduated from the University of Southampton in the United Kingdom with a BSc (Social Sciences) (Hons) Degree in Accounting and Law. He was called to the English Bar and admitted to the Rolls as a Barrister-At-Law (Middle Temple) and was also called to the Singapore Bar.

**Note:**

Hong Leong Investment Holdings Pte. Ltd. is the immediate and ultimate holding company of the Company. Millennium & Copthorne Hotels New Zealand Limited and Hong Leong Management Services Pte Ltd are related companies under the Hong Leong Group, Singapore.

\* listed company  
Information as at 9 March 2026

Information as at 9 March 2026

## PETER CHAY FOOK YUEN - 66 NON-EXECUTIVE AND LEAD INDEPENDENT DIRECTOR

**First appointment as Director**  
11 June 2019

**Appointment as Lead Independent Director**  
29 April 2021

**Last re-election as Director**

25 April 2024

**Board committees**

- Audit Committee (Chairman)
- Remuneration Committee (Chairman)
- Hong Leong Finance Share Option Scheme 2001 Committee (Chairman)
- Board Risk Committee (Member)
- Nominating Committee (Member)

**Present directorships in other listed companies and principal commitments**

Nil

**Other appointments**

Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**

Nil

Mr Chay has over 30 years of experience in auditing and advisory work across various industries, primarily in real estate, financial institutions and healthcare, and specific experience in corporate restructuring, insolvency and corporate finance related work. These specific experiences were gathered not only in Singapore but also internationally.

He retired from the Company's current audit firm, KPMG LLP in September 2017. At the time of his retirement, he was the Deputy Managing Partner, a position he held since 2010. Prior to his appointment as Deputy Managing Partner, he was the Head of Financial Advisory Services (2005 to 2009) and had direct oversight responsibility over services provided by various business units including restructuring, merger and acquisition, transaction advisory services and forensic accounting. During the preceding years prior to his retirement from KPMG LLP, he was particularly active in the provision of corporate restructuring and insolvency services, acting as liquidator, receiver and manager and judicial manager on a number of engagements.

Mr Chay graduated with a Bachelor of Commerce majoring in Accounting, Finance and Systems from the University of New South Wales, Australia. He is a Fellow of the Institute of Singapore Chartered Accountants and a member of the Institute of Chartered Accountants in Australia.

## BOARD OF DIRECTORS

The Lead Independent Director, Mr Peter Chay is available to shareholders should they have any concern and for which approaches through the normal communication channels of the Board Chairman/Managing Director or the President or the Chief Financial Officer have failed to resolve or are inappropriate or inadequate. Mr Chay may be contacted via a link in his profile page under the 'Board of Directors' section as well as the 'Investor Relations' link on the Company's corporate website at [www.hlf.com.sg](http://www.hlf.com.sg).

Information as at 9 March 2026

### TAN TEE HOW - 66 NON-EXECUTIVE AND INDEPENDENT DIRECTOR

**First appointment as Director**  
11 June 2019

**Last re-election as Director**  
24 April 2025

**Board committees**

- Board Risk Committee (Chairman)
- Executive Committee (Member)
- Audit Committee (Member)

**Present directorships in other listed companies and principal commitments**

- CapitaLand China Trust Management Limited<sup>^</sup> (Director)
- Gambling Regulatory Authority (Chairman)
- National Healthcare Group (Chairman)

**Other appointments**

- ICE Singapore Holdings Pte. Ltd. (Chairman)
- ICE Futures Singapore Pte. Ltd. (Chairman)
- ICE Clear Singapore Pte. Ltd. (Chairman)
- MOH Holdings Pte Ltd (Director)
- Nomura Singapore Limited (Chairman/Director)
- Nomura Asia-Pacific Holdings Ltd (Director)
- Temus Pte Ltd (Director)
- SP Tel Pte. Ltd. (Director)

**Past directorships in other listed companies and principal commitments held in the preceding three years**

- Chip Eng Seng Corporation Ltd (Executive Director) (*delisted and privatised in April 2023*)

Mr Tan served 34 years in the Singapore Administrative Service, holding various key appointments, including Principal Private Secretary to the then-Prime Minister, Mr Goh Chok Tong (from 1997 to 2000) and founding CEO of National Healthcare Group (from 2000 to 2004). He was the Permanent Secretary of the Ministry of National Development (from 2004 to 2011) and of the Ministry of Home Affairs (from 2011 to 2014). From 2014 to 2018, he was the Commissioner of Inland Revenue Authority of Singapore ("IRAS") and concurrently the CEO of IRAS. He retired from public service in 2018.

Mr Tan's background features substantial international experience, built through his active role as a delegate in numerous regional and global fora and his involvement in bilateral and multilateral negotiations.

Mr Tan holds a Bachelor of Business Administration (Honours) Degree from the National University of Singapore and a Master of Public Administration Degree from Harvard University. He attended the Wharton Business School Advanced Management Programme in 2002. He was awarded a Fulbright Fellowship in 1989/1990.

\* listed company  
^ manager of a listed trust  
Information as at 9 March 2026

### TAN SIEW SAN - 74 NON-EXECUTIVE AND INDEPENDENT DIRECTOR

**First appointment as Director**  
11 June 2019

**Last re-election as Director**  
27 April 2023

Will be seeking re-election at the 2026 Annual General Meeting

**Board committees**

- Nominating Committee (Chairman)
- Executive Committee (Member)
- Board Risk Committee (Member)
- Remuneration Committee (Member)
- Hong Leong Finance Share Option Scheme 2001 Committee (Member)

**Present directorships in other listed companies and principal commitments**

- Cortina Holdings Limited\* (Independent Director)

**Other appointments**

Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**

- Triton Holding Public Company Limited\* (Independent Director)

Ms Tan was Singapore's Ambassador to the Kingdom of Thailand from 2012 to 2019. Prior to that, she was Deputy Secretary (Asia Pacific) in the Ministry of Foreign Affairs and Deputy Secretary (Policy) in the Ministry of Defence ("Mindef"). During her public service career, Ms Tan was awarded the Public Administration Medal (Gold) in 1999 and the Public Administration Medal (Silver) in 1990. She retired from the Singapore civil service in June 2019.

Ms Tan has a Bachelor of Social Science (Honours) (Political Science) degree from the University of Singapore and a Master of Arts (Political Science) degree from the University of Wisconsin-Madison, USA. She was granted a Fulbright-Hays scholarship for her graduate studies.

\* listed company  
Information as at 9 March 2026

### CHRISTIAN CAUTIER DE CHARNACE - 76 NON-EXECUTIVE AND INDEPENDENT DIRECTOR

**First appointment as Director**  
5 August 2020

**Last re-election as Director**  
25 April 2024

**Board committees**

- Board Risk Committee (Member)

**Present directorships in other listed companies and principal commitments**

- Golden Agri-Resources Ltd\* (Independent Director)
- PT BNP Paribas Sekuritas Indonesia (Independent President Commissioner on the Board of Commissioners)

**Other appointments**

Nil

**Past directorships in other listed companies and principal commitments held in the preceding three years**

Nil

Mr de Charnace has over 40 years of broad and diversified international banking experience in corporate and institutional banking and had held various executive management positions having responsibilities in the areas of corporate finance, investment banking, fund raising, capital markets and advisory transactions for clients.

Mr de Charnace was Chief Executive Officer Investment Banking Asia Pacific at BNP Paribas ("BNP") prior to retiring in 2017, having held that position since 2013. He was with BNP since 1980. During his tenure with BNP, he was Head of Paribas branches and region in Seoul, Taipei and Los Angeles / Western US region (1980 - 1990); Managing Director and Head of Asia Pacific region based in Paris (1991 - 1993); Managing Director and successively Head of Capital Markets and Corporate Finance for Asia Pacific based in London, Singapore, Tokyo and Hong Kong (1993 - 2013). Mr de Charnace started his career in banking at Bank of America and he was Vice President of Multinational Division Paris and Houston (1973 to 1980).

Mr de Charnace graduated from Institut d'Etudes Politiques de Paris in Economy and Finance, and he also holds a Bachelor's degree from the University of Law in Paris.

\* listed company  
Information as at 9 March 2026

### CLARENCE YEO GEK LEONG - 66 NON-EXECUTIVE AND INDEPENDENT DIRECTOR

**First appointment as Director**  
1 January 2022

**Last re-election as Director**  
24 April 2025

**Board committees**

- Executive Committee (Member)
- Audit Committee (Member)
- Remuneration Committee (Member)
- Hong Leong Finance Share Option Scheme 2001 Committee (Member)
- Board Sustainability Committee (Member)

**Present directorships in other listed companies and principal commitments**

- Lum Chang Creations Limited\*
- Global Resource Construction Ltd.\*

**Other appointments**

- Biometrics Institute (Member of Advisory Council)
- International Border Management & Technologies Association (IBMATA) (Member of Advisory Board)
- Singapore Business Advisors & Consultants Council (Member of Governing Council)
- Singapore Institute of Management, Centre for Systems Leadership (Senior Advisor)
- Singapore Tote Board (Member of the Grant Committee)
- Violet Capital Development Pte Ltd (Senior Advisor)
- Certis CISCO Security Pte Ltd (Director)
- D.S. Lee Foundation (Director)
- Eleotri AIQ Pte Ltd (Director)
- Neon Group Limited (Director)
- Singapore Aerospace Manufacturing Pte Ltd (Director)

**Past directorships in other listed companies and principal commitments held in the preceding three years**

- Ministry of Home Affairs – Senior Advisor (Special Duties)

Mr Yeo held senior public sector leadership appointments as the Commissioner, Immigration & Checkpoints Authority ("ICA") (September 2010 to September 2018), the Chief Executive of Home Team Academy ("HTA") (September 2018 to July 2021), and Senior Advisor (Special Duties) in the Ministry of Home Affairs ("MHA") (August 2021 to July 2024). Besides domain experience relating to his tenures

## BOARD OF DIRECTORS

with ICA, HTA and MHA, he also has experience in leading and driving governance, organisational excellence, enterprise risk management, information technology and digitalisation and organisational transformation. Mr Yeo's role as a senior public sector leader has provided him with the experience and exposure in international experience/relations, public affairs and security. In addition, his international experience and exposure include being on the Advisory Board/Council of two international bodies (IBMATA and Biometrics Institute) and besides attending the Board/Council meetings, he had been a Keynote Speaker, Speaker and Panelist in conferences/events organised by them.

Mr Yeo received several individual awards, including the National Day Public Administration Medal (Gold) (Bar) in 2021, the Public Administration Medal (Gold) in 2013 and the Public Administration Medal (Silver) in 2006. He was also awarded the Medal of Commendation by the Singapore National Trade Union Congress in May 2017 in recognition of his significant contributions towards good labour-management relations.

Mr Yeo holds a Master in Public Policy from the National University of Singapore (now offered under Lee Kuan Yew School of Public Policy), and a BSc (Hons) 2<sup>nd</sup> Class Upper in Economics from the University of London. He is also an alumnus of INSEAD, having attended a Senior Executive Development Programme at Fontainebleau.

\* listed company  
Information as at 9 March 2026

### JEANN LOW NGIAP JONG - 65 NON-EXECUTIVE AND INDEPENDENT DIRECTOR

First appointment as Director  
27 April 2023

Last re-election as Director

Not applicable (appointed at 2023 Annual General Meeting ("AGM"))

Will be seeking re-election at the 2026 AGM

Board committees

- Audit Committee (Member)
- Board Sustainability Committee (Member)

Present directorships in other listed companies and principal commitments

- Advanced Info Service Public Company Limited\* ("AIS") (Non-Executive Director)
- Advanced Wireless Network Co., Ltd. (Non-Executive Director)
- Aztech Global Ltd\* (Independent Director)
- CapitaLand Integrated Commercial Trust Management Limited^ ("CICT REIT") (Independent Director)
- Singapore Telecommunications Limited\* (Senior Advisor)

Other appointments

- Prison Fellowship Singapore Limited (Board member)
- Seventy Times Seven (Management Committee member)
- The Turning Point (Executive Committee member)

Past directorships in other listed companies and principal commitments held in the preceding three years

- Intouch Holdings Public Company Limited\*
- Singtel Asian Investments Pte Ltd (Non-Executive Director)
- Singtel Strategic Investments Pte Ltd (Non-Executive Director)
- Lee Kong Chian School of Medicine, Nanyang Technological University of Singapore (Member of Governing Board)

Ms Low is currently a Senior Advisor with Singapore Telecommunications Limited ("Singtel"). Prior to her appointment as Senior Advisor, she was with Singtel as its Group Chief Financial Officer from September 2008 to April 2015 before assuming the position of Group Chief Corporate Officer from April 2015 until April 2021. As the Group Chief Corporate Officer, she was responsible for group strategy and planning, mergers and acquisitions, corporate communications and strategic branding, legal, regulatory and group risk management, procurement and digitalisation.

She was also involved in Singtel's significant acquisitions in Asia Pacific between 1998 and 2002, with investments in the various mobile operators in Thailand, India, Indonesia as well as Australia. In addition, Ms Low is a board member of AIS, a leading telco (mobile and broadband) and digital services operator in Thailand. Ms Low is also a board member of the manager of CICT REIT which has commercial real estate operations in Singapore, Australia and Germany.

Ms Low received various individual awards including Best Chief Financial Officer (Singapore & Southeast Asia), Corporate-Institutional Investor Awards (2012), Best Chief Financial Officer (Singapore), Asian Excellence Recognition Awards (2012) and Best Chief Financial Officer, Singapore Corporate Awards (2010).

Ms Low holds a Bachelor of Accountancy (Honours) from the National University of Singapore. She is also a Chartered Accountant registered with the Institute of Singapore Chartered Accountants ("ISCA") and a Fellow member of ISCA.

\* listed company  
^ manager of a listed trust  
Information as at 9 March 2026

## CORPORATE GOVERNANCE REPORT

Hong Leong Finance Limited ("HLF" or the "Company") is committed to maintaining a high standard of business integrity, professionalism and governance in its business dealings, which is essential for the long-term sustainability of the Group's businesses and the enhancement of shareholders' value.

To demonstrate its commitment towards excellence in corporate governance, HLF joined the Securities Investors Association Singapore ("SIAS") and its partners in 2025 in making the following public Statement of Support as part of the SIAS Corporate Governance Week 2025 Initiatives organised by SIAS in November 2025:

*"As a Company, we are committed to upholding high standards of corporate governance to enhance stakeholder value, a sustainable future and making a lasting sustainable transition to a low-carbon environment. We believe practising good environmental, social and corporate governance standards are central to the health and stability of our financial markets and economy."*

The Company has complied with Rule 710 of the Listing Manual of Singapore Exchange Securities Trading Limited ("Listing Manual") by describing in this report its corporate governance practices with specific reference to the principles and provisions in the Code of Corporate Governance, as amended ("CG Code"). Where the Company's practices differ from the provisions under the CG Code, these differences and the Company's position in respect of the same are explained in this report.

### BOARD OF DIRECTORS

#### Executive Director ("ED")

**Mr Kwek Leng Beng,**  
Executive Chairman & Managing Director

#### Non-executive and Non-independent Directors ("NID")

**Mr Kwek Leng Peck**  
**Mr Kwek Leng Kee**  
**Mr Kevin Hangchi**

#### Independent Directors ("ID")

**Mr Peter Chay Fook Yuen, Lead ID**  
**Mr Tan Tee How**  
**Ms Tan Siew San**  
**Mr Christian Gautier de Charnace**  
**Mr Clarence Yeo Gek Leong**  
**Ms Jeann Low Ngiap Jong**

### KEY OBJECTIVES

Oversees the Company's business and its performance under its collective responsibility and provides leadership by setting the strategic objectives of the Company together with Senior Management (as defined under Principle 3 below) to achieve long-term success for the Company.

# CORPORATE GOVERNANCE REPORT

Board Committees	Composition	Key Objectives
<b>Executive Committee (“Exco”)</b>	Mr Kwek Leng Beng, Chairman (ED) Mr Kwek Leng Peck, also as alternate to Chairman (NID) Mr Tan Tee How (ID) Ms Tan Siew San (ID) Mr Clarence Yeo (ID)	Deliberates on Board matters between Board meetings and approves banking-related matters and acquisition, divestment and corporate finance transactions up to certain limits.
<b>Audit Committee (“AC”)</b>	Mr Peter Chay, Chairman (Lead ID) Mr Tan Tee How (ID) Mr Clarence Yeo (ID) Ms Jeann Low (ID)	Assists the Board in the review of the Company’s financial reporting, internal accounting controls and audit function.
<b>Board Risk Committee (“BRC”)</b>	Mr Tan Tee How, Chairman (ID) Mr Kwek Leng Beng (ED) Mr Kwek Leng Peck (NID) Mr Kevin Hangchi (NID) Mr Peter Chay (Lead ID) Ms Tan Siew San (ID) Mr Christian de Charnace (ID)	Assists the Board on matters relating to the review and management of the Company’s key risks under a risk management framework.
<b>Nominating Committee (“NC”)</b>	Ms Tan Siew San, Chairman (ID) Mr Kwek Leng Beng (ED) Mr Peter Chay (Lead ID)	Sets and reviews the board diversity policy, including targets, plans and timelines, and reviews progress made. Assists the Board in its succession planning through the review of board size, composition and mix, and provides recommendations on the independence of directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board, the Board Committees and the Directors. Also reviews the succession plan for key management personnel (“KMP”) (not being a Director).
<b>Remuneration Committee (“RC”)</b>	Mr Peter Chay, Chairman (Lead ID) Ms Tan Siew San (ID) Mr Clarence Yeo (ID)	Assists the Board in the review and determination of the remuneration of the Directors and the KMP, including setting appropriate remuneration frameworks and policies to reflect a performance-based remuneration system.
<b>Hong Leong Finance Share Option Scheme 2001 (“SOS”) Committee (“SOSC”)</b>	Mr Peter Chay, Chairman (Lead ID) Mr Kwek Leng Peck (NID) Ms Tan Siew San (ID) Mr Clarence Yeo (ID)	Reviews and approves the grant of options to eligible participants pursuant to the terms of the Company’s SOS.
<b>Board Sustainability Committee (“BSC”)</b>	Mr Kevin Hangchi, Chairman (NID) Mr Clarence Yeo (ID) Ms Jeann Low (ID)	Assists the Board in the review of the Company’s sustainability issues including climate risks, initiatives and performance as well as emerging corporate governance trends and best practices. Reviews the Company’s sustainability and corporate governance reports.

## BOARD MATTERS

### Principle 1: The Board’s Conduct of Affairs

#### Primary Functions of the Board

The Board oversees the Company’s business and its performance under its collective responsibility and provides leadership by setting the strategic objectives of the Company together with Senior Management to achieve long-term success for the Company. The Board sets broad policies, provides guidance

on and approves strategic objectives, ensures that necessary financial, operational and human resources are in place for the Company to meet its objectives, reviews the performance of the Company and Management, and satisfies itself as to the adequacy and effectiveness of the framework and processes for internal controls (including financial, operational, compliance and information technology (“IT”) controls) and risk management for the safeguard of shareholders’ interests and the Company’s assets.

The Board assumes responsibility for good corporate governance and sets the right ‘tone at the top’ in its policies and decisions to ensure that the Company’s corporate values and ethical standards are observed and there is proper accountability throughout the Company and obligations to its shareholders and other stakeholders are clearly understood and met.

#### Sustainability

The Board is also committed to the Company’s strategic approach to integrating sustainability in its business and operations, and to advance the Company’s sustainability efforts and achievements.

In this regard, the Board has delegated to the BSC the general oversight of the Board’s attention to sustainability issues and sustainability reporting. The BSC comprises three Directors, all of whom are non-executive Directors (“NED”) with the majority being independent. The BSC’s written terms of reference set out, *inter alia*, the roles and responsibilities of the BSC and include its purview over matters relating to the economic, environmental, social and governance (“ESG”) framework, ESG targets, the sustainability reporting framework, emerging corporate governance trends and best practices as well as the Company’s policies, practices and performance on its material ESG factors which are significant and contribute to the Company’s performance, business activities, and/or reputation as a corporate citizen. Further information on the Company’s sustainability practices is set out in the Sustainability Report in this Annual Report 2025 (“AR”).

The key responsibilities of the BSC as set out in its written terms of reference, approved by the Board, include the following:

- provides oversight on the Company’s compliance relating to sustainability governance and reporting including reviewing the framework put in place by Management for the identification, assessment, management and monitoring of the material ESG factors and climate risks, and setting of targets and key performance indicators for the achievement of the Company’s sustainability strategy;
- reviews the Company’s material ESG issues, initiatives and performance as well as emerging corporate governance trends and best practices and recommends to the Board the adoption of such trends and best practices;
- reviews the Company’s sustainability and corporate governance reports; and
- reviews anti-corruption policies and provides oversight for cases escalated by Management relating to the policies, processes and controls to prevent, identify and investigate acts of corruption, bribery kickback and facilitation payments.

Two BSC meetings were held in 2025. The Company Secretaries maintain records of all BSC meetings including records of discussions on key deliberations and decisions taken.

For the financial year under review, the BSC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist (“BSC Self-Assessment Checklist”).

The BSC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the BSC under its terms of reference and considered the contribution of BSC chairman and members to

the deliberation and decision-making process at BSC meetings.

Based on the self-assessment, the BSC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

#### Directors’ Objective Discharge of Duties and Declaration of Interests

(Provision 1.1)

All Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC annual evaluation of the Directors.

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction declare the nature of their interests in accordance with the Company’s Constitution and provisions of the Companies Act 1967 and the Finance Companies Act 1967, and in the case of any conflicts of interests (actual or potential), recuse themselves from any discussions and abstain from decision-making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Board Committees.

#### Accountability of the Board and Management

(Provision 1.1)

The Board and Senior Management are committed to conducting business with integrity and sound standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has established various corporate policies which provide a communicable and understandable framework for employees to observe the Company’s principles on honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company’s business in their relationships with the Company’s stakeholders, including customers, suppliers and employees. Further details of these policies are described in the segment entitled ‘Corporate Values and Conduct of Business’ at the end of this report.

#### Board Orientation and Training/Development

(Provision 1.2)

Every newly appointed Director receives a formal letter, setting out his/her general duties and obligations as a Director pursuant to the relevant legislation. The new Director will also receive an induction pack containing information and documents relating to the roles and responsibilities of a director and where applicable, a member of the Board Committees, the Company’s business, Board processes, corporate governance practices, relevant Company policies and procedures as well as a meeting calendar for the year with a brief of the routine agenda for each meeting of the Board and the Board Committees.

The Company also conducts a comprehensive induction programme for newly appointed Directors and existing Directors pursuant to their appointments to any of the Board Committees, to familiarise Directors with the Group’s business, governance practices and processes, internal controls and risk management systems, their responsibilities as directors and in the case of appointments to any of the Board Committees, the role and areas of responsibilities of such Board Committees. The induction programme includes meetings with the chairmen of the Board Committees in the case of appointments to any of the Board Committees, on matters relevant to such Board

# CORPORATE GOVERNANCE REPORT

Committees, various key executives of the Management team to allow the new Directors to be acquainted with, and to facilitate their independent access to the Management team in future. The programme also includes briefings by the President and other members of the Management team on key areas of the Company's operations.

For a first time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he/she will be required to also attend certain specific modules of the Listed Entity Director ("LED") Programme conducted by the Singapore Institute of Directors ("SID") to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under the Listing Manual. Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act 1967, the Listing Manual and the CG Code.

The Board recognises that it is important for Directors to undergo continual training/development. From time to time, the Directors are provided with updates and/or briefings by professional advisors, auditors, Management and the Company Secretaries in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislation, risk management and financial reporting standards. They are also regularly kept informed by the Company Secretaries of the availability of appropriate courses, conferences and seminars such as those run by the SID and the Directors are encouraged to attend such training at the Company's expense. The NC and the Board are kept informed of the training attended by the Directors during the year. As part of the NC's annual assessment of the skill set of the Board and the respective Board Committees, the NC would also recommend further training for the Directors in specific areas, if so required, to supplement the regular updates/briefings provided to the Directors from time to time.

During the year, the training attended by the Directors included the SID Audit and Risk Committee Seminar 2025, SID Nominating and Remuneration Committee Seminar 2025, SID Directors Conference 2025 on Transformational Directorship: Purpose, Practice, Performance, Progress, briefings and seminars organised by SID and other consultants in relation to board and audit, nominating and remuneration committees matters, climate reporting and sustainability matters. In addition, in-house seminars were also organised in 2025 and conducted by invited external speakers on the following topics:

- Is ESG Losing its Shine – or Transforming for Long-Term and Sustained Growth?
- Geopolitical updates
- Innovation in business and operating models
- Artificial Intelligence and Cybersecurity updates
- Leveraging data

The Company's external auditors also provided members of the AC with updates on applicable Accounting Standards, and sustainability and climate reporting matters from FY 2025 to FY 2027 and external limited assurance requirements for Singapore-listed companies.

The Board members attended various training webinars, seminars and workshops in 2025 which accounted for more than 60 training hours in aggregate.

In addition to the training courses/programmes and briefing updates, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

## Board Approval

(Provision 1.3)

Key matters which are specifically reserved for approval by the Board include decisions over the strategic direction, plans and performance objectives of the Company, the Company's financial objectives, decisions to commence, discontinue or modify significantly any business activity or to enter into or withdraw from a particular market sector, corporate or financial restructuring, decisions over new borrowings or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business, material acquisition and disposal of assets, adoption of corporate governance policies and any other matters which require Board approval as prescribed under the relevant legislation as well as the provisions of the Company's Constitution. All issuance of the Company's financial results requires the approval of the Board, including decisions on the Company's dividend policy and payouts.

The Company also has in place an approval matrix with established authority limits for various matters including the granting of loans, guarantees or other credit facilities, corporate finance activities, operation of banking accounts, investments, capital expenditure and lease of properties.

Management is fully apprised of such matters which require the approval of the Board or the Board Committees. The Company also has a structured authority matrix which sets out the delegated authority to the various levels of Management.

## Delegation by the Board

(Provision 1.4)

The primary functions of the Board are either carried out directly by the Board or delegated to committees established by the Board with clear written terms of reference setting out their composition, authority and responsibilities, including reporting back to the Board. The committees established by the Board are the Exco, the AC, the BRC, the NC, the RC, the SOSC and the BSC, all collectively referred to as the "Board Committees". Each Board Committee reports key matters to the Board and submits its report to the Board at least once on an annual basis. All terms of reference for the Board Committees are approved by the Board and reviewed periodically to ensure their continued relevance taking into consideration the changes in the governance and regulatory environment.

The Board has also placed its members, from time to time on management committees such as the Loan Sub-Committee and Management Committee to provide independent review and as a check and balance on the work of those committees involved in the approval of loan and credit proposals. The powers and authorisation limits of the relevant management committees are also approved by the Board.

The delegation of authority by the Board to the Board Committees and management committees enables the Board to achieve operational efficiency by empowering these committees to decide on matters within their respective terms of reference and/or limits of delegated authority, and yet without abdicating the Board's overall responsibility.

The Exco comprises five Directors with majority of its members being independent where the Exco chairman is not independent. The Exco's principal responsibility as set out in its written terms of reference, approved by the Board, is to assist the Board in the discharge of its duties including, in particular, assisting the Board in approving banking-related matters such as opening, closing and operation of banking accounts of the Company and bank facilities (including money market placements) granted to the Company, granting by the Company of loans, guarantees or credit facilities up to a limit fixed by the Board, approve corporate finance dealings for the Company's customers, and approving transactions (acquisition/disposal of certain assets and purchase of investments and certain marketable securities), other than those which are of a dealing nature and in the ordinary course of business and provided that such transactions are non-discloseable pursuant to the Listing Manual up to limits authorised by the Board.

Please refer to the sections on Principles 4, 5, 6, 7, 9 and 10 in this report for further information on the activities of the NC, RC, BRC and AC. Information on the activities of the BSC can be found within this section under Principle 1 in the earlier part of this report. Information on the activities of the SOSC

can be found under Principle 7 in this report, the Directors' Statement and the Financial Statements of the AR.

## Board and Board Committee Meetings

(Provision 1.5)

Board and Board Committee meetings are held regularly. Three Board meetings were held in 2025. The Board agenda at the Board meetings held in 2025 included the review of the Group's financial and operational performance and updates by the Senior Management on the Company's strategic initiatives and implementation status.

A meeting of the NEDs chaired by the Lead ID was held in 2025. Meetings of the NEDs and the IDs are convened as often as may be warranted by circumstances. The IDs also meet regularly under the various Board Committees' meetings and the Lead ID is a member in some of these Board Committees. No separate meeting of the IDs was required to be convened in 2025.

The proposed meetings for the Board, all Board Committees and the NEDs for each new calendar year are set out in a schedule of meetings and notified to all Board members before the start of that calendar year. Additional meetings are convened as and when circumstances warrant. Records of all such meetings including discussions on key deliberations and decisions taken are maintained by the Company Secretaries. The Company's Constitution allows for the meetings of its Board and the Board Committees to be held via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of circulating written resolutions.

The attendance (including via electronic means) of the Directors at the annual general meeting ("AGM") and at meetings of the Board, the Board Committees and the NEDs, as well as the frequency of such meetings in 2025 is set out below.

## Directors' Attendance (including via electronic means) at the AGM, and Meetings of the Board, Board Committees and the NEDs in 2025

(Provision 1.5)

	Board	Exco	AC	NC	RC	SOSC	BRC	BSC	NEDs	AGM
<b>Number of meetings held in 2025:</b>	3	1	3	2	2	1	2	2	1	1
<b>Name of Directors</b>	<b>Number of meetings attended in 2025</b>									
<b>Kwek Leng Beng</b>	3	1	N.A.	2	N.A.	N.A.	2	N.A.	N.A.	1
<b>Kwek Leng Peck</b>	3	1	N.A.	N.A.	N.A.	1	2	N.A.	1	1
<b>Kwek Leng Kee</b>	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1
<b>Kevin Hangchi</b>	3	1 <sup>(a)</sup>	N.A.	N.A.	N.A.	N.A.	2	2	1	1
<b>Peter Chay</b>	3	N.A.	3	2	2	1	2	N.A.	1	1
<b>Tan Tee How</b>	3	1	3	N.A.	N.A.	N.A.	2	N.A.	1	1
<b>Tan Siew San</b>	3	1	N.A.	2	2	1	2	N.A.	1	1
<b>Christian de Charnace</b>	3	N.A.	N.A.	N.A.	N.A.	N.A.	2	N.A.	1	1
<b>Clarence Yeo</b>	3	1	3	N.A.	2	1	N.A.	2	1	1
<b>Jeann Low</b>	3	N.A.	3	N.A.	N.A.	N.A.	N.A.	2	1	1

### Note:

(a) Mr Kevin Hangchi attended the Exco meeting by invitation.

(b) All Directors including Mr Kwek Leng Beng, the Board Chairman were in attendance at the AGM in 2025 together with the President and the Company's external auditors.

# CORPORATE GOVERNANCE REPORT

Directors who were unable to attend any meetings of the Board, the Board Committees or the NEDs, were provided with meeting materials and encouraged to raise discussion points or queries with the Chairman of the Board (“Board Chairman”) or chairmen of the respective Board Committees or the Management. Nonetheless, the Board is of the view that the contribution of each Director should not be focused only on his/her attendance at the meetings of the Board and/or the Board Committees and/or the NEDs. A Director’s contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and through strategic networking relationships which would further the interests of the Company. The Directors also, whether individually or collectively, engage with the Senior Management and the Company’s external consultants to better understand the challenges faced by the Company and the input of the Directors, through such engagement, provide valuable perspective to the Management.

## Directors’ Multiple Board Representations and Time Commitments

(Provision 1.5)

When considering the nomination of Directors for re-election, the NC also takes into account the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments. An analysis of the directorships (which includes directorships by groups and executive appointments) held by the Directors is reviewed annually by the NC. Each Director is also required to confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company and that he/she continues to remain fit and proper for continued appointment on the Board in accordance with the fit and proper guidelines issued by the Monetary Authority of Singapore (“MAS Fit and Proper Guidelines”). Based on the analysis, the Directors’ annual confirmation and the Directors’ commitments and contributions to the Company which are also evident in their level of attendance and participation at Board, Board Committee and NEDs’ meetings, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as Directors of the Company.

The NC noted that including the directorship held in the Company, the number of listed company board representations (including listed trusts) held by each of the Directors ranged from one to four, and those held by the Board Chairman/Managing Director, Mr Kwek Leng Beng, Mr Kwek Leng Peck and Mr Kevin Hangchi are on the boards of the related companies of the Company. On the NC’s recommendation and approved by the Board, the maximum number of listed company board representations that a Director may hold was set at six (including the Company), with a view to providing a guide to address potential competing time commitments that may be faced by Directors serving on multiple listed company boards. The NC may review this guideline from time to time and

will also consider the circumstances of individual Directors or potential candidates with multiple listed company directorships above the recommended number to determine their capacity to participate and contribute effectively to the Board.

In addition to the current procedures for the review of the attendance records and analysis of directorships/principal commitments, a policy has been put in place for Directors to consult the Board Chairman and the chairman of the NC prior to accepting any new listed company board appointments or principal commitments and notifying the Board of any changes in their external appointments. This would allow the Director to review his/her time commitments with the proposed new appointment, and in the case of an ID, to also ensure that his/her independence would not be affected.

## Complete, Adequate and Timely Information

(Provision 1.6)

Prior to each meeting, members of the Board and the Board Committees are provided with the meeting agenda and the relevant papers submitted by Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. Management, the Company’s external auditors and professional advisors who can provide additional insight into the matters for discussion are also invited from time to time to attend such meetings.

Management also provides all Directors with monthly financial updates on the Company’s financial performance including analysis of the said updates. Any material variance between the month and year-to-date (“YTD”) under review as compared to the immediate preceding month, the YTD of the preceding year, and the YTD budget, are disclosed and explained. Where the Board’s or a Board Committee’s approval is sought, relevant background and explanatory information on the specific matter is provided to enable Directors to understand the issues and to request for further disclosures, as necessary.

Draft agendas for Board and Board Committee meetings are circulated to the Board Chairman and the chairmen of the Board Committees respectively, in advance, for them to review and suggest items for the agenda. The Board and the Board Committees are also furnished with routine reports, where applicable from Management. Each of the chairmen of the AC, NC, BSC, RC, SOSC and Exco provides an annual report of the respective committee’s activities during the year under review to the Board. The chairman of the BRC provides reports to the Board twice yearly on its activities. The minutes of meetings of the Board Committees and the NEDs are circulated to all Board members.

The role and responsibilities of Management and their reporting relationships are set out in the Company’s organisation structure which is circulated annually to the Board and as and when there are changes, for noting by the Board.

## Access to Management, Company Secretaries and Independent Professional Advisors

(Provision 1.7)

All Directors have direct and independent access to Management. To facilitate this access, all Directors are provided with the contact details of the KMP, the Company Secretaries and other Senior Management members.

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and where circumstances warrant the same. The Company has in place internal guidelines allowing the Directors to seek independent professional advice.

The Company Secretaries’ appointment and removal are subject to the Board’s approval. At least one of the Company Secretaries attends Board meetings and meetings of the AC, NC, RC, SOSC, BRC, BSC, NEDs and IDs and ensure that Board procedures are followed. The Company Secretaries, together with Management, also ensure that the Company complies with the applicable statutory and regulatory rules. Together with Management, they also advise the Board Chairman, the Board and Board Committees on corporate governance matters and assist to implement and strengthen corporate governance practices and processes, including ensuring good information flows within the Board and the Board Committees and between the Directors and Management, facilitating the induction for newly appointed Directors and newly appointed Board Committee members, and assisting in the continuing training and development programme for the Directors. On an on-going basis, the Directors have separate and independent access to the Company Secretaries.

## Principle 2: Board Composition and Guidance

### Board Independence

(Provisions 2.1, 2.2 and 2.3)

The Board currently comprises ten members. All members of the Board except for the Board Chairman are NEDs. Based on the NC’s recommendation, the Board has determined six of them, being more than half of the Board, to be independent (“IDs”), thus providing for a strong and independent element on the Board, capable of exercising objective judgement on the corporate affairs of the Company. No individual or small group of individuals dominates the Board’s decision-making. No alternate Directors have been appointed in respect of any of the Directors.

When reviewing the independence of the IDs, the NC has considered the applicable Rule 210(5)(d) of the Listing Manual and the guidelines for independence set out in Provision 2.1 of the CG Code and its accompanying Practice Guidance. As part of the consideration of their independence, the NC has also taken into account the following:

- other directorships;
- annual declarations regarding their independence;
- disclosures of interests in transactions in which they have a direct/indirect interest;
- their ability to avoid any apparent conflict of interest especially by abstaining from deliberation and decision-making on such transactions;
- their ability to maintain objectivity in their conduct as Directors of the Company; and

- their ability to objectively raise issues and seek clarification as and when necessary from the Board, Management and the Company’s external advisors on matters pertaining to their area of responsibilities whether on the Board or on the Board Committees.

Each of the IDs on the NC recused himself or herself from the NC’s deliberations on his/her own independence.

The 6 IDs are Mr Peter Chay, Mr Tan Tee How, Ms Tan Siew San, Mr Christian de Charnace, Mr Clarence Yeo and Ms Jeann Low. None of the IDs is currently employed or has been employed at any time during the past three financial years by the Company or any of its related corporations. These IDs also do not have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For the purposes of determining independence, the IDs have also provided confirmation that they are not related to the Directors and substantial shareholders of the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Board undertook a review of the independence of the IDs with each ID abstaining from participating in his/her own review, and the Board concurred with the NC’s determination of the independence of the IDs.

### Board Composition, Size and Diversity

(Provision 2.4)

Since 2018, the Company has adopted a Board Diversity Policy (“BDP”) which sets out the framework for promoting diversity on the Board. The Company recognises that a diverse Board is an important element which will better support the Company’s achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline and other aspects of diversity (such as gender and age) of the Directors.

The BDP provides that the NC shall consider all aspects of diversity when reviewing and assessing the composition of the Board and when making recommendations to the Board for the appointment of Directors to arrive at an optimal balanced composition of the Board. The BDP also provides for the NC to discuss and recommend annually to the Board targets and timelines for promoting and achieving diversity on the Board.

The Company has put in place a skills matrix to help identify gaps in the Board. The skills matrix classifies skills, experience and knowledge of the existing Directors into broad categories such as industry knowledge; skills in audit/finance/accounting, risk management, sustainability and digital/information technology/cyber security.

When reviewing and assessing the size and composition of the Board and Board Committees and making recommendations to the Board annually including the re-election of Directors, the NC takes into consideration factors under the BDP including the annual Board targets and timelines for promoting and achieving diversity on the Board. As prescribed under the BDP, the final decision on the selection of Directors is based on merits against objective criteria and targets considered by the NC annually and recommended to the Board for approval.

# CORPORATE GOVERNANCE REPORT

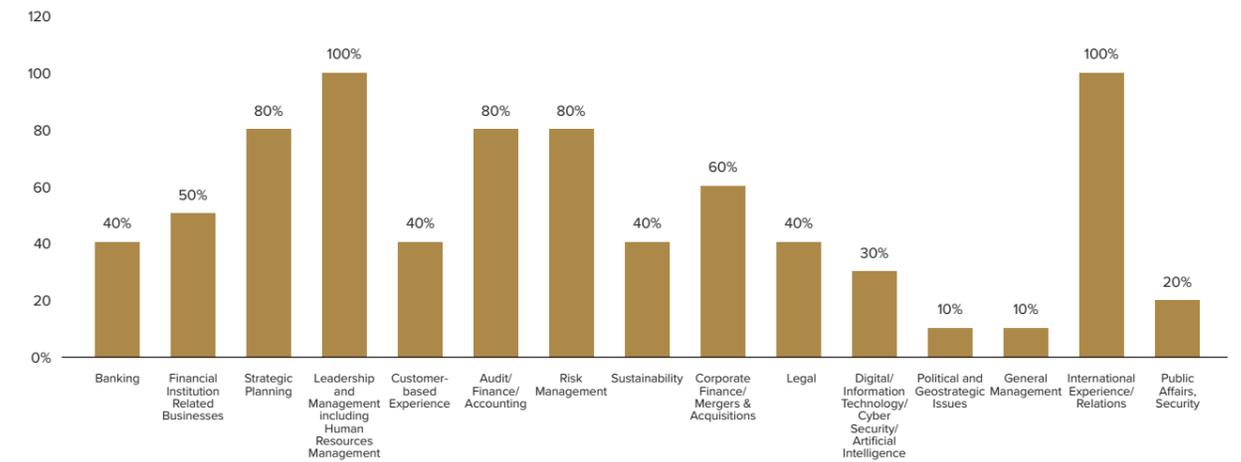
## Diversity Targets and Progress in FY 2025

Skills Diversity	
<b>Target</b>	Maintain the Board core-skill set especially in one or more of the following key areas: <ul style="list-style-type: none"> <li>financial institution experience</li> <li>audit/finance/accounting</li> <li>risk management</li> <li>sustainability</li> <li>digital/information technology/cyber security</li> </ul>
<b>Progress</b>	The Board has continued to maintain these targets for FY 2025.
Gender diversity	
<b>Target</b>	At least 20% female representation on the Board.  The NC noted the recommendations of the Council for Board Diversity for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030.  The NC would strive to consider female candidates with a view to meeting the target of 30% female representation on the Board by 2030. When reviewing candidates for future appointment, whether in addition to existing Board members or as replacement of Directors who retire or resign, the NC will try to ensure that: <ol style="list-style-type: none"> <li>if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates;</li> <li>when seeking to identify a new Director for appointment to the Board, the NC could request for female candidates to be fielded for consideration;</li> <li>female representation on the Board be continually improved over time; and</li> <li>the NC is gender diverse.</li> </ol>
<b>Progress</b>	The Company has continued to maintain its target of 20% female representation on the Board.  Given that there is currently no need to appoint any new Director, the NC will, in line with the gender diversity target, strive to consider female candidates when reviewing candidates for future appointment with a view to meeting the target of 30% female board representation by 2030.
Board independence	
<b>Target</b>	IDs to make up 60% of the Board
<b>Progress</b>	The Board has continued to maintain this target for FY 2025.
Age diversity	
<b>Target</b>	At least half of the Board members to be 70 years and below.
<b>Progress</b>	The Board has continued to maintain this target for FY 2025.

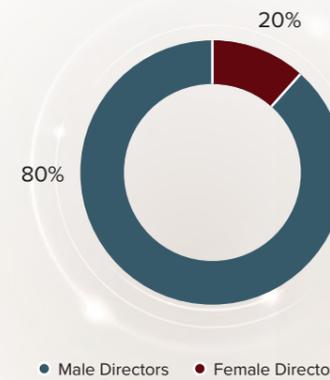
The NC and the Board also agreed that there was no need to set a specific target for ethnicity/nationality so long as the candidates provide distinguishing qualities that complement and expand the skills and experience of the Board as a whole. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in this AR.

Having considered the scope and nature of the operations of the Company, the Board, taking into account the recommendation of the NC, is satisfied that the current size and composition of the Board and Board Committees provide for diversity in line with the BDP (including the plans and targets reviewed and approved by the NC and the Board annually) and allow for informed and constructive discussions and effective decision-making at meetings of the Board and Board Committees. Details of the current Board composition are as follows:

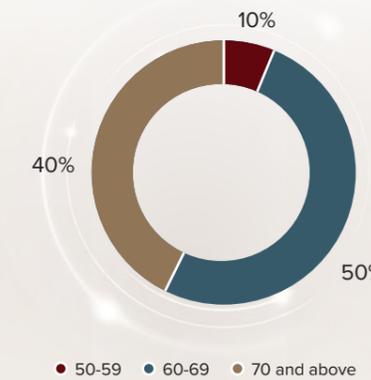
**DIRECTORS' SKILLS MATRIX**



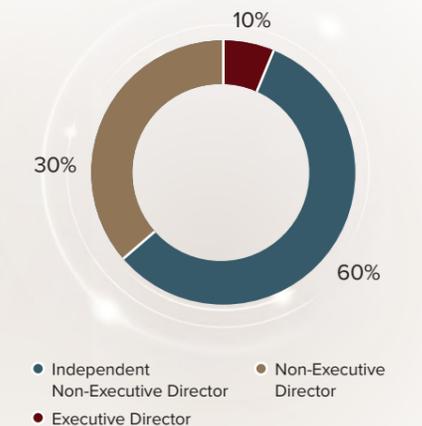
**GENDER DIVERSITY**



**DIRECTORS' AGE GROUP**



**INDEPENDENCE**



### NEDs' Participation (Provision 2.5)

NEDs are encouraged to participate actively at Board meetings in the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, they are kept informed of the Company's businesses and performance through monthly and quarterly reports from Management and have unrestricted access to Management. They also sit on various Board Committees and management committees to provide constructive input and the necessary review and monitoring

of performance of the Company and Management. Under the chairmanship of the Lead ID, a meeting of the NEDs was convened in 2025 without the presence of Management and the Board Chairman. The Lead ID and the NEDs would also confer among themselves without the presence of Management as and when the need arises. The Lead ID collates the views and/or feedback from the NEDs and communicates to the Board Chairman and the President, as appropriate.

# CORPORATE GOVERNANCE REPORT

## Principle 3: Chairman and Chief Executive Officer (“CEO”)

### Roles of Chairman and the CEO

(Provisions 3.1 and 3.2)

The Board Chairman, Mr Kwek Leng Beng, is also the Managing Director (“MD”). Mr Kwek Leng Beng plays an instrumental role in providing the Company with strong leadership and vision, assisting the Board to develop policies and strategies, and ensuring that these are implemented effectively. The Board sets out clear division of his responsibilities as the Board Chairman and MD. As Board Chairman with written terms of reference approved by the Board, he bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including setting agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of each agenda item, promoting an open environment for debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. As the Board Chairman, he also promotes and leads the Company in its commitment to achieve and maintain high standards of corporate governance. At AGMs and other shareholder meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

As MD, he is the most senior executive in the Company and bears executive responsibility for the Company’s business. He is assisted by the President, Mr Ang Tang Chor and other members of the Senior Management team which comprises:

- Ms Joan Yeo, Senior Executive Vice President/Chief Financial Officer (“CFO”)
- Ms Pauline Tan, Executive Vice President (“EVP”) (Operations)
- Mr Jeffrey Toh, EVP (Corporate & Consumer Business)
- Mr Chris Tan, EVP (Risk Management)
- Mr Andrew Low, Senior Vice President (“SVP”) (Human Resources)
- Mr Lim Wei Leon, SVP (Transformation and Innovation)<sup>^</sup>
- Mr Au Siew Wye, SVP (Credit Control)
- Ms Lim Siew Lee, SVP (Legal & Compliance)
- Ms Adelyn Low, SVP (Property Financing)<sup>^^</sup>
- Ms Cynthia Tjong, SVP (Medical Financing/SME)<sup>^^</sup>
- Ms Yet Pek Yeen, SVP (Marketing Services)<sup>^^</sup>
- Mr Bryan Wang, SVP (Accounts)<sup>^^</sup>

<sup>^</sup> including oversight of IT

<sup>^^</sup> with effect from 1 February 2026

The President joined the Company in 2003. He has a wealth of experience from the banking industry, in particular in the small and medium enterprises (“SME”) lending sector, having worked in Tat Lee Bank Ltd/Keppel Tatlee Bank Ltd for over 27 years before its acquisition by Oversea-Chinese Banking Corporation (“OCBC”). His last held appointment with OCBC prior to joining the Company was that of General Manager, International Banking Division. The President is not related to the Board Chairman.

The Board had considered Mr Kwek Leng Beng’s roles as the MD and Board Chairman and the strengths he brings to

these roles by virtue of his stature and experience. Through the appointment of the Lead ID (see more information below) and the establishment of various Board Committees with power and authority to perform key functions without undue influence from the Board Chairman, and the implementation of internal controls for proper accountability and to allow for effective oversight by the Board of the Company’s business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision-making in the interest of the Company. The Board is of the view that Mr Kwek Leng Beng’s roles as the MD and the Board Chairman would continue to facilitate the Company’s decision-making and implementation process without diminishing the capacity of the Board for independent decision-making.

### Lead Independent Director

(Provision 3.3)

Taking cognizance that the Board Chairman is the MD and thus not independent, the Board has appointed Mr Peter Chay as Lead ID to serve as a sounding board for the Board Chairman and as an intermediary between the NEDs/IDs and the Board Chairman. The role of the Lead ID is set out under the written terms of reference of the Lead ID, which has been approved by the Board. The Lead ID is available to shareholders should they have any concern and for which approaches through the normal communication channels of the Board Chairman/ MD or the President or the CFO have failed to resolve or are inappropriate or inadequate. Shareholders can contact the Lead ID via the Company’s corporate website.

## Principle 4: Board Membership

### NC Composition and Role

(Provisions 4.1 and 4.2)

Two out of the three members of the NC, including the NC chairman, are independent. The Lead ID is one of the independent members of the NC.

The key responsibilities of the NC as set out in its written terms of reference approved by the Board are as follows:

- examine Board size,
- review all Board and Board Committees composition and membership,
- review the board diversity policy and recommend to the Board objectives for diversity (both qualitative and quantitative) and review the progress made towards achieving the Board’s objectives for diversity,
- review succession plans for the Directors (including the Board Chairman) and other KMP,
- determine each Director’s independence annually and as and when circumstances require,
- evaluate the effectiveness of the Board and Board Committees as well as the contributions of the Board Chairman and chairmen of the Board Committees, and the performance of the Board, the Board Committees and Directors,
- review appointments, re-election of Directors (including alternate directors, if any), and the reasons for their resignations,

- review appointments and reasons for resignations and terminations of the KMP,
- review and confirm the induction programmes for newly appointed Directors and for existing Directors in respect of their appointments to any of the Board Committees, and
- review training and continuous professional development programme for the Directors.

Two NC meetings were held in 2025. The Company Secretaries maintain records of all NC meetings including records of discussions on key deliberations and decisions taken.

For the financial year under review, the NC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist (“NC Self-Assessment Checklist”).

The NC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NC under its terms of reference and considered the contribution of NC chairman and members to the deliberation and decision-making process at NC meetings.

Based on the self-assessment, the NC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

### Nomination of Directors and Determination of Independence

(Provisions 4.3 and 4.4)

The NC reviews the nomination of the relevant Directors for re-election as well as the independence of Directors annually. When considering the nomination of Directors for re-election, the NC takes into account their contribution to the effectiveness of the Board as well as their time commitment especially for Directors who have multiple listed company board representations and/or other principal commitments, and also reviews their independence having regard to the provisions in the applicable Rule 210(5)(d) of the Listing Manual and the guidelines for independence set out in Provision 2.1 of the CG Code as well as factors considered under Principle 2 above in relation to Board independence. The NC also considered the Directors’ annual confirmation in accordance with the MAS Fit and Proper Guidelines for continued appointment to the Board. The recommendation of the NC on the annual nomination of the Directors for re-election is submitted to the Board for decision and thereafter put to the shareholders for approval at the AGM.

The Constitution of the Company provides that not less than one-third of the Directors for the time being who are longest serving since their last re-election or appointment shall retire as Directors at each AGM. All new Directors appointed by the Board shall hold office until the next AGM and be eligible for re-election at the said AGM. Excluding new Directors who will be seeking re-election at the first AGM immediately after their initial appointment, the remaining Directors will retire from office at least once in every three years.

In accordance with the Constitution of the Company, Mr Kwek Leng Kee, Mr Kevin Hangchi, Ms Tan Siew San and Ms Jeann Low will be retiring by rotation at the 2026 AGM.

As recommended by the NC, the Board recommends the re-election of Mr Kwek Leng Kee and Mr Kevin Hangchi as non-independent NEDs, and Ms Tan Siew San and Ms Jeann Low as IDs. In recommending the re-election of these

Directors who have offered themselves for re-election at the 2026 AGM, the NC has considered their contribution and performance and recommended to the Board to nominate their re-election at the 2026 AGM. These Directors continue to be fit and proper for appointment based on the MAS Fit and Proper Guidelines.

### Criteria and Process for Nomination and Selection of New Directors

(Provision 4.3)

The NC also reviews all nominations and interviews candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Board Committees. Searches for and selection of candidates to be considered for appointment as Directors are facilitated through recommendations from the Directors and various other sources. Where necessary, the NC may consider the use of external search consultants to find appropriate candidates. Candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointments, including appointments to the appropriate Board Committee(s), the NC considers the following as well as factors prescribed under the Company’s BDP, details of which are set out under the sub-header ‘Board Composition, Size and Diversity (Provision 2.4)’:

- the candidate’s track record, experience and capabilities, or such other factors including age and gender as may be determined by the NC to be relevant and which would contribute to the Board’s collective skills and diversity;
- the composition requirements for the Board and Board Committees after matching the candidate’s skill set to the requirement of the relevant Board Committees (if the candidate is proposed to be appointed to any of the Board Committees);
- whether the candidate is fit and proper in accordance with the MAS Fit and Proper Guidelines which require the candidate to be competent, honest, to have integrity and be of sound financial standing;
- any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments; and
- the candidate’s independence, in the case of the appointment of an ID.

As a finance company, all new appointments to the Board are approved by the MAS, before they are appointed by the Board or by shareholders at the AGM (as the case may be).

### Key Information on Directors

(Provision 4.5)

Please refer to the ‘Board of Directors’ section in the AR for key information on the Directors, which includes the dates of their first appointment and last re-election to the Board (if applicable), their academic/professional qualification, directorships held in listed companies and principal commitments for both the current and the preceding three years, and other relevant information; ‘Additional Information on Directors seeking re-election’; and the ‘Notice of Annual General Meeting’ for information on Directors proposed for re-election at the 2026 AGM.

# CORPORATE GOVERNANCE REPORT

## Succession Planning for the Board, the Board Chairman and KMP

(Provision 4.1)

The Board believes in carrying out succession planning for itself, the Board Chairman and the KMP to ensure continuity of leadership. Board renewal is a continuing process and in this regard, the NC reviews the composition of the Board and Board Committees, which includes size and mix, annually and recommends to the Board the selection and appointment of new Directors, whether in addition to existing Board members or as replacement of retiring Board members, with a view to identifying any gaps in the Board skill set taking into account the Company's business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board. The NC also conducts annual review on the succession planning to ensure continuity of leadership for the KMP.

As part of the leadership succession planning, the Board had at the recommendation of the NC, approved the promotion of Ms Peh Guat Hong (Corporate & Consumer Business), Ms Pauline Tan (Operations) and Mr Sia Nam Chie (Audit) from the rank of SVP to EVP with effect from 1 February 2025 and identified them as additional KMP of the Company. Ms Peh had retired from the Company from the end of January 2026. Following her retirement, her portfolio is managed by two SVPs, namely Ms Adelyn Low (Property Financing) and Ms Cynthia Tjong (Medical and SME Financing) under the supervision of the President.

## Board Development

(Provision 4.5)

The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Board Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense. Further training for the Directors in specific areas are also being recommended by the NC, where required, based on the NC's review of the annual evaluation checklists from the Board and the Board Committees. A separate programme is established for new Directors, details of which are set out in the relevant paragraphs under the subject heading 'Board Orientation and Training/Development' above.

The Board is kept apprised twice yearly on a list of training programmes attended by the Directors during the year.

## Principle 5: Board Performance

### Board Evaluation Process

(Provision 5.1)

The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Board Committees and the contribution by each Director to

the effectiveness of the Board and the Board Committees, where applicable. No external facilitator has been used. The NC assesses the Board's performance as a whole annually using criteria which were recommended by the NC and approved by the Board. When assessing the overall Board performance, the NC takes into consideration the Board composition, the Directors' independence, the feedback from individual Directors on areas relating to the Board's role on strategy and performance, the Board's process and governance (including risk management and internal controls) and the effectiveness of the Board Chairman. The results of the overall evaluation of the Board by the NC including its recommendation for improvements, if any, are presented to the Board.

The NC also undertook an evaluation of the performance of the NC, RC, BRC, BSC and the AC with the assistance of self-assessment checklists completed by these Board Committees as well as reports provided by the chairmen of the Exco and SOSOC.

The annual evaluation process for the Board Chairman's and the individual Director's performance comprises two parts: (a) background information concerning the Director including his/her attendance record at Board and, where applicable, Board Committee meetings; and (b) NC's evaluation based on certain assessment parameters. The assessment parameters were recommended by the NC and approved by the Board.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussions to avoid any conflict of interest.

The results of the individual evaluation of each of the Directors are also used by the NC, in its consultation with the Board Chairman (who is also a member of the NC), to review, where appropriate, the composition of the Board and Board Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the re-election of retiring Directors. The Board Chairman, as a member of the NC, is fully apprised of the results of the performance evaluation for the individual Directors and would take into consideration such evaluation and act as appropriate on the recommendation of the NC. Comments from the Directors, if any, concerning the Board as a whole and the general performance of the Directors, are also presented to the Board.

### Board Evaluation Criteria

(Provision 5.2)

The qualitative criteria used by the NC to evaluate the Board cover five areas relating to Board structure, the Board's review of the Company's strategy and performance, the Board's oversight on the Company's governance including risk management and internal controls, and the effectiveness of the Board Chairman and Board processes.

The quantitative criteria used to evaluate the overall Board performance comprises the Company's monthly and year-to-date performance as compared to corresponding periods in the preceding year and the budget, quarterly performance indicators which include a comparison of the Company's performance for the financial period under review against the Company's performance and industry players for the corresponding period.

### Individual Director Evaluation Criteria

(Provision 5.2)

Factors taken into account in the assessment of a Director's performance include his/her abilities and competencies, his/her objectivity and the level of participation at Board and, where applicable, Board Committee meetings including his/her contributions to Board processes and the business strategies and performance of the Company. The performance evaluation of each Director is taken into account in the NC's consideration with regard to his/her re-election as a Director.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

#### RC Composition and Role

(Provisions 6.1, 6.2, 6.3 and 6.4)

The RC comprises three NEDs, all of whom including the chairman of the RC are independent.

The key responsibilities of the RC as set out in its written terms of reference approved by the Board are to review and recommend, for the endorsement of the Board, a framework of remuneration for the Board and KMP as well as the specific remuneration packages for each Director and the KMP.

The Company has in place a remuneration framework (which covers all aspects of remuneration) for the Directors and the KMP. For FY 2025, the Company has identified the MD who is the only ED of the Company, the President, the CFO, and with effect from 1 February 2025, three of the EVPs as the Company's KMP. On an annual basis, the RC reviews and recommends fees payable to the Directors for the Board's consideration before approval is sought from the shareholders at the AGM. The RC also reviews and recommends annually the specific remuneration packages for the Directors and the KMP including salary adjustments/increments, where applicable, variable bonuses and share options to be granted to the KMP for approval by the Board. The KMP's contracts of service which have been reviewed by the RC do not contain any unfair or unreasonable termination clauses.

All the members of the RC also sit on the SOSOC and the chairman of the RC is also the chairman of the SOSOC.

The RC has access to appropriate advice from the Company's Head of Human Resources ("HR Head"), who attends all RC and SOSOC meetings. No remuneration consultants from outside the Company were appointed. In considering the level of remuneration for the Directors and the KMP, the RC also considered industry practice based on latest available information.

The Company Secretaries maintain records of all RC and SOSOC meetings including records of discussions on key deliberations and decisions taken. Two meetings of the RC were convened during 2025.

For the financial year under review, the RC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("RC Self-Assessment Checklist"). The RC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the RC under its terms of reference and considered the contribution of RC chairman and members to the deliberation and decision-making process at RC meetings.

Based on the self-assessment, the RC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

### Principle 7: Level and Mix of Remuneration

#### Remuneration of Directors and KMP

(Provisions 7.1, 7.2 and 7.3)

The Company's remuneration policy for Directors comprises the following distinct objectives:

- to ensure that the procedure for determining remuneration for Directors is formal and transparent;
- to ensure that the level of remuneration is sufficient (without being excessive) to attract and retain Directors to provide good stewardship and exercise oversight responsibility over the Company so as to ensure a sustainable performance and long-term value creation for the Company; and
- to ensure that no Director is involved in deciding on his/her own remuneration.

In reviewing the remuneration packages of the KMP, the RC, with the assistance of the HR Head, considers the level of remuneration based on the Company's remuneration policy for the EDs and KMP (not being a Director) which is substantially aligned with that of the employees and which comprises the following three distinct objectives:

- to ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Company's needs;
- to ensure that the remuneration reflects employees' duties and responsibilities; and
- to reward employees for achieving corporate and individual performance targets in a fair and equitable way.

The Company adopts a performance-based remuneration framework that is flexible and responsive to the market, and the performance of the Company and the individual employees. In designing the remuneration framework for the EDs and KMP (not being a Director), the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Company.

Based on the remuneration framework, the remuneration packages for the KMP comprise a fixed component (in the form of a base salary and where applicable, fixed allowances), a variable component (which would normally comprise short-term incentives in the form of variable bonuses and long-term incentives in the form of share options) and benefits-in-kind, if any.

## CORPORATE GOVERNANCE REPORT

In determining the fixed and variable components for a KMP, the KMP's individual performance is taken into consideration together with any annual guidance from the National Wages Council, competitive market practices and information gathered from market surveys conducted by the Company's Human Resources department. This is then reviewed along with the Company's performance, taking into consideration the Company's financial performance including specific performance indicators tracked over time as well as other factors (internal or external) which may have impacted the Company's performance during the year. Besides profitability, these specific indicators include those that track the growth and the quality of the Company's core business especially the size and quality of its loan assets, level and growth of deposits and percentage of non-performing loans. The monitoring and management of interest spreads, loan/deposits ratio, profitability, are also considered. The Company exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Company. The overall level of remuneration is not considered to be at a level which is likely to promote behavior contrary to the Company's risk profile.

The Company currently has in place a long-term incentive scheme, which is the SOS.

As one of the objectives for the implementation of the SOS including the extension thereof is to make the total compensation of the participants more attractive and competitive for the Company to attract, retain and motivate good employees, the Company does not require the KMP to continue to hold their shares upon exercise of the options after the vesting period. Options granted under the SOS to the KMP vest progressively over a period of three years. To-date, the Company has granted only Market Price (as defined in the SOS) options. Information on the SOS is set out in the Directors' Statement and the Financial Statements of the AR.

The SOS was first approved by the shareholders at an extraordinary general meeting in 2001 for an initial period of ten years commencing on 31 January 2001. It was extended at the AGM in April 2010 for a further period of ten years from 31 January 2011 to 30 January 2021. At the AGM held in June 2020, the shareholders approved the second extension of the duration of the SOS for another period of ten years from 31 January 2021 to 30 January 2031.

The Company does not discourage Directors from holding shares in the Company. There is, however, no requirement under the Company's Constitution for Directors to hold shares in order to be qualified to act as a Director. Although the NEDs are eligible to participate in the SOS, no options were granted to them since the implementation of the SOS in 2001. The RC has also considered and is satisfied that the payment of Directors' fees to the NEDs in cash is appropriate under the present circumstances.

The letter of offer of options to eligible participants (including the KMP) under the SOS includes a claw-back provision which gives the Company the right to recover or cancel the options (whether in whole or in part, before they are exercised) in the event of exceptional circumstances involving a misstatement of the financial results of the Company for the financial year on which the grant is based, or any misconduct by an employee of the Company, resulting in financial loss to the Company.

When reviewing the structure and level of Directors' fees, which comprise base Director's fee and additional fees for services rendered under the various Board Committees and fee for the Lead ID, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and Board Committees and the changes in the business, corporate governance practices and regulatory rules. The RC also compared the Company's fee structure against industry practices. Other factors taken into consideration in the fee review include the frequency of Board and Board Committee meetings, corporate performance for the financial year under review as well as the corporate and economic outlook in the new financial year. The RC is mindful that the remuneration for IDs should not be excessive in order not to compromise or reasonably be perceived to compromise their independence. No Director is involved in deciding his/her own remuneration.

Each of the Directors receives a base Director's fee, with the MD receiving an additional fee for serving as the Board Chairman. The Lead ID also receives an additional fee to reflect his expanded responsibility. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the chairmen of the Board Committees receiving a higher fee in respect of their service as chairman of the respective committees. The structure of fees payable to Directors of the Company for FY 2025 is set out on the next page.

### Principle 8: Disclosure of Remuneration

#### Disclosure of Remuneration (Provisions 8.1(a) and 8.3)

The compensation packages for the KMP comprised a fixed component (in the form of a base salary and fixed allowances), a variable component (in the form of variable bonuses and share options) and benefits-in-kind, taking into account amongst other factors, the individual's performance, the Company's performance and industry practices.

There were no termination, retirement or post-employment benefits granted to any Director or KMP in 2025.

The remuneration of each Director for FY 2025 including a breakdown in percentage terms earned through base salary, variable bonuses/allowances, fees, share option grants and other benefits for FY 2025, is set out on the next page:

Appointment	Fees per annum (\$)
<b>Director</b>	80,000 (Basic fee)
<b>Additional Fees:</b>	
<b>Board Chairman</b>	25,000
<b>Lead Independent Director</b>	15,000
<b>Executive Committee (Exco)</b>	
- Exco Chairman	35,000
- Exco Member	25,000
<b>Nominating Committee (NC)</b>	
- NC Chairman	25,000
- NC Member	18,000
<b>Remuneration Committee (RC)</b>	
- RC Chairman	25,000
- RC Member	18,000
<b>Hong Leong Finance Share Option Scheme 2001 Committee (SOSC)</b>	
- SOSC Chairman	5,000
- SOSC Member	3,500
<b>Audit Committee (AC)</b>	
- AC Chairman	70,000
- AC Member	50,000
<b>Board Risk Committee (BRC)</b>	
- BRC Chairman	70,000
- BRC Member	50,000
<b>Board Sustainability Committee (BSC)</b>	
- BSC Chairman	12,000
- BSC Member	8,000

Name of Director	Total Remuneration \$	Base Salary <sup>(1)</sup> %	Variable Bonuses/ Allowances <sup>(1)</sup> %	Board/Board Committee Fees <sup>(2)</sup> %	Share Option Grants <sup>(3)</sup> %	Other Benefits %	Total %
<b>Executive Director</b>							
<b>Kwek Leng Beng (MD)</b>	3,417,663	36	56	6	1	1	100
<b>Non-executive Directors</b>							
<b>Kwek Leng Peck</b>	158,500	-	-	100	-	-	100
<b>Kwek Leng Kee</b>	80,000	-	-	100	-	-	100
<b>Kevin Hangchi</b>	142,000	-	-	100	-	-	100
<b>Peter Chay Fook Yuen</b>	263,000	-	-	100	-	-	100
<b>Tan Tee How</b>	225,000	-	-	100	-	-	100
<b>Tan Siew San</b>	201,500	-	-	100	-	-	100
<b>Christian Gautier de Charnace</b>	130,000	-	-	100	-	-	100
<b>Clarence Yeo Gek Leong</b>	184,500	-	-	100	-	-	100
<b>Jeann Low Ngiap Jong</b>	138,000	-	-	100	-	-	100

#### Notes:

(1) The salary and variable bonuses/allowances paid/payable are inclusive of employer's central provident fund contributions.

(2) These fees comprise Board and Board Committee fees for FY 2025, which are subject to approval by shareholders as a lump sum at the 2026 AGM.

(3) These relate to options granted during FY 2025. The fair value of the options as at the date of grant is \$0.0993 for each share under option taking into account the vesting schedule using the Black-Scholes Option Pricing Formula.

# CORPORATE GOVERNANCE REPORT

## Remuneration of KMP (not being a Director or CEO) (Provisions 8.1(b) and 8.3)

For FY 2025, the Company identified the President and the CFO as its KMP (not being a Director or CEO), and with effect from 1 February 2025, the Company also identified three of the EVPs as additional KMP (not being a Director or CEO).

The aggregate remuneration paid to members of the Senior Management team including the KMP (not being a Director or CEO) in respect of FY 2025 was S\$7,684,815. This aggregate includes remuneration paid to members of the Senior Management team for services rendered in FY 2025.

While corporate governance guidelines recommend that at least the remuneration of the top five KMP (who are not the Directors or CEO) be disclosed, the Board believes that it is not in the interest of the Company to do so having regard to the highly competitive talent environment.

## Remuneration of Director's, CEO's or Substantial Shareholder's Immediate Family Members for FY 2025 (Provision 8.2)

There were no employees of the Company who were substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company during the year.

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

#### Oversight of Risk Management

(Provision 9.1)

The Board has overall responsibility of overseeing the Company's risk management framework and policies and ensuring that Management maintains a sound system of internal controls and risk management. The BRC, a dedicated risk committee at Board level assists the Board on matters relating to the risk management function of the Company.

The BRC comprises seven Directors, six of whom including the chairman of the BRC are NEDs. The current members of the BRC possess the relevant business experience and are suitably qualified to discharge their responsibilities within the BRC's written terms of reference which have been approved by the Board.

Other duties of the BRC within its written terms of reference include:

- review of the risk management framework; and
- review of the risk governance structure of the Company and monitoring and assessment of the adequacy and effectiveness of the Company's risk management function and organisational structure.

The BRC is supported by the risk management department ("RMD") in maintaining an effective control environment that reflects the risk appetite and business objectives of the Company. The risk management team is independent of the business units. Management is accountable to the Board through the BRC for ensuring the effectiveness of the risk management framework. Departments perform regular self-assessments to assess the adequacy and effectiveness of their internal controls. The results of the evaluations are reviewed by Management.

The Company's approach to risk management is set out in the 'Risk Management Report' of this AR.

The BRC receives regular reports from the RMD on the risk management activities of the Company. The AC also receives regular reports from the RMD to help the AC review the adequacy and effectiveness of the Company's material internal controls that address the Company's financial, operational, compliance and IT controls.

The BRC met twice in 2025 and carried out its duties as set out within its terms of reference. The Company Secretaries maintain records of all BRC meetings including records of discussions on key deliberations and decisions taken.

During the year, the BRC did a self-assessment of its performance based on the self-assessment checklist ("BRC Self-Assessment Checklist"). The BRC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the BRC under its terms of reference, and considered the contribution of the BRC chairman and members to the BRC's deliberation and decision making process. Based on the self-assessment, the BRC was of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

#### Assurances from the KMP

(Provision 9.2)

In relation to Provision 9.2 of the CG Code and Rule 1207(10) of the Listing Manual, the AC and the Board received:

- written assurance from the President and the CFO that the Company's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- written assurance from the MD, the President and the CFO that the Company's risk management and internal control systems in place are adequate and effective to address in all material aspects the financial, operational, compliance and IT risks in the context of the current scope of the Company's business operations.

The process of reviewing and strengthening the Company's control environment is an ongoing process. The Board and Management will take action to rectify areas which require enhancement and strengthen the internal controls and risk management systems with a view to maintain a high level of governance and internal controls. However, the Board also

notes that no system of internal controls and risk management can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgement in decision-making, losses, fraud or other irregularities.

The AC reviewed the adequacy of the Company's internal controls that address the Company's financial, operational, compliance and IT risks, and risk management systems for FY 2025, with the assistance of the BRC, Management, RMD, Credit Control department, Compliance department, IT department and the internal and external auditors.

Based on the work performed by Internal Audit ("IA"), and the statutory audit by the Company's external auditors, KPMG LLP ("KPMG") and the periodic reports from the BRC and RMD, as well as the assurances from the MD, President and the CFO, the Board with the concurrence of the AC, is of the opinion that the system of risk management and internal controls in place as at 31 December 2025 to address in all material aspects the financial, operational, compliance and IT risks, are adequate and effective in the context of the current scope of the Company's business operations. Further details on the Company's Risk Management can be found in the 'Risk Management Report' of this AR.

### Principle 10: Audit Committee

#### Composition of AC

(Provisions 10.2 and 10.3)

The AC comprises four NEDs, all of whom including the chairman of the AC are independent. All the members including the AC chairman possess the relevant accounting or related financial management expertise and experience. With the current composition, the AC believes that it has the relevant accounting or related financial management expertise and experience to discharge its functions within its written terms of reference which has been approved by the Board.

Based on the written terms of reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation should not act as a member of the AC: (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as he/she has any financial interest in the auditing firm or auditing corporation. Mr Chay ceased as the Deputy Managing Partner of the Company's existing auditors, KPMG in September 2017 and does not have any financial interest in KPMG. The other AC members do not have any relationship with KPMG.

#### Powers and Duties of the AC

(Provisions 10.1 and 10.5)

The AC is authorised by the Board to review or investigate any matters it deems appropriate within its terms of reference and has direct and unrestricted access to the external auditors ("EA"), the internal auditors, Management and any officer and employee of the Company. It may invite any Director, Management, any officer or employee of the Company, the EA and internal auditors to attend its meetings. It is also authorised to engage any firm of accountants, lawyers or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate, at the Company's expense.

The principal responsibility of the AC is to oversee the financial reporting, internal controls, internal and external audit functions. Other duties within its written terms of reference, include:

- to review significant financial reporting issues and judgements so as to ensure the integrity of the Company's financial statements, and of announcements on the Company's financial performance and recommend changes, if any, to the Board;
- to review annually the scope and results of the external audit and the independence and objectivity of the EA, and in this regard to also review the nature and extent of any non-audit services provided by the EA to the Company;
- to make recommendations to the Board on the nomination for the appointment, re-appointment and removal of EA, and to approve the remuneration and terms of engagement of the EA;
- to assess the role and effectiveness of the IA function in the overall context of the Company's internal controls and risk management systems, and to consider the results of their review and evaluation of the Company's internal controls, including financial, operational, compliance and IT controls;
- to approve the appointment or dismissal of the Head of IA;
- to review interested person ("IP") transactions and related party lending transactions to ensure that they are entered on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders;
- to oversee the establishment and operation of the whistle-blowing policy and arrangements in place for raising, in confidence, concerns about possible improprieties on matters of financial reporting or any other matters; and
- to ensure that the Company has fraud policies and programmes in place to identify and prevent fraud.

In the review of the financial statements for FY 2025, the AC had discussed with Management and EA the significant matters that required Management's estimation and judgement. The AC was satisfied that the key significant matter identified impacting the financial statements was as follows:

Loan, advances and receivables represent a significant component of total assets with potential material impact to the Group's financial statements. The determination of the adequacy of the impairment allowance for loan, advances and receivables involves Management's assessment and judgement as disclosed in the Notes to the Financial Statements.

The Group developed Expected Credit Loss ("ECL") model to compute the impairment loss allowance for non-credit impaired financial assets taking into consideration factors such as risk parameters, forward-looking estimates and management overlay based on a combination of statistical data, assumptions and judgements. In 2025, the Group had enhanced the ECL Model to fine-tune the probability of default model by further segmenting its products and customer portfolios into more granular groups. The shortfall between the Stages 1 and 2 ECL and the Minimum Regulatory Loss Allowance as required under Revised MAS Notice 811 is recorded under Regulatory Loss Allowance Reserve.

Loss allowance for credit impaired financial assets is assessed based on individual exposures against the estimated collateral values, taking into account its enforceable or net realizable value and discounting period.

# CORPORATE GOVERNANCE REPORT

The AC has reviewed the approach and methodology adopted by Management for the assessment of impairment of loans, advances and receivables and the total allowances recorded. The AC is satisfied with the reasonableness of the key judgements in estimating ECLs, and the allowances for impairment losses have accordingly been adequately provided for.

Given the magnitude of the loans, advances and receivables and the estimation uncertainty over ECL allowances, the impairment allowances on loans, advances and receivables is considered the key audit matter by the EA. The key audit risk was discussed with the AC. Please refer to the Independent Auditors' report in the AR.

The AC held three meetings during the year and carried out its duties as set out within its terms of reference. The Company Secretaries maintain records of all AC meetings including records of discussions on key deliberations and decisions taken. The AC meets with the internal auditors and EA, each separately without the presence of Management, at least once annually.

The AC members continually keep themselves abreast of changes to accounting standards and issues which have a direct impact on financial statements.

For the financial year under review, the AC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities. The assessment was facilitated through the use of a self-assessment checklist ("AC Self-Assessment Checklist").

The AC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the AC under its terms of reference, and considered the contribution of the AC chairman and members to the AC's deliberation and decision-making process.

Based on the self-assessment, the AC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

## External Auditors

(Provisions 10.1(d) and 10.1(e))

Taking cognizance that the EA should be free from any business or other relationships with the Company that could materially interfere with their ability to act with integrity and objectivity, the AC undertook a review of the independence of KPMG and gave careful consideration to the Company's relationships with them during 2025. The AC considered the Company's policies, processes and safeguards to protect and preserve audit independence. The AC also considered and approved the nature of the provision of the non-audit services in 2025 and the corresponding fees and ensured that such non-audit fees did not impair or threaten the audit independence. In FY 2025, the non-audit fees incurred by the Company was 42.8% of the audit fees. The nature of the non-audit services included tax compliances services, advisory and consulting

services. KPMG's confirmation of their audit independence was further noted. Based on the review, the AC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Company's statutory financial audit. The fees paid and/or payable to KPMG in respect of audit and non-audit services for FY 2025 are set out below:

	\$'000
<b>Audit fees</b>	470
<b>Non-audit fees</b>	201

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2026, the AC considered the adequacy of the resources, experience and competence of KPMG including its Audit Quality Indicators information. Consideration was also given to the engagement partner and key team members' overall business acumen, knowledge and experience in the financial services industry. The size and complexity of the audit of the Company and the level of audit fee were further taken into account. The AC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines. The AC also appreciated the candour of the EA in discussions on audit issues with the AC, both in a private session and during meetings.

KPMG has confirmed that they are registered with the Accounting and Corporate Regulatory Authority. The Company is thus in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of the auditors of the Company and its subsidiaries.

On the basis of the above, the AC has recommended to the Board the nomination of KPMG for re-appointment as EA at the 2026 AGM.

## Related Party and Interested Person Transactions

Taking a risk-based approach, the Company has established policies and procedures on related party ("RP") and IP transactions to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Company's usual business practices and policies, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the RPs and/or IPs (as defined in Chapter 9 of the Listing Manual), than those extended to other unrelated third parties under similar circumstances. IA reviews all IP transactions and the RP lending transactions annually and as part of its review, updates the AC on such transactions reviewed and updates the Board on comments/findings if any relating to any loan related/connected to any AC member.

A list of RPs and IPs is maintained by the Company for monitoring purposes.

Particulars of IP transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of IP	Nature of Relationship	Aggregate value of all IP transactions in FY 2025 (excluding transactions less than \$100,000 and transactions conducted under any shareholders' mandate pursuant to Rule 920) (\$'000)	Aggregate value of all IP transactions conducted in FY 2025 under shareholders' mandate* pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)
<b>Kingston Property Maintenance Services Pte Ltd ("KPMS")</b>	Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is the immediate and ultimate holding company of the Company. KPMS and CDLMS, being subsidiaries of HLIH, are IPs.	Cleaning, security and building maintenance services:	<b>140</b> Not applicable
<b>CDL Management Services Pte Ltd ("CDLMS")</b>		Receipt of corporate secretarial services:	<b>350</b> Not applicable
		<b>Total:</b>	<b>490</b>

\* The Company has not sought any shareholders' mandate for IP transactions pursuant to Rule 920 of the Listing Manual.

The above IP transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

## Material Contracts

Except as disclosed above and in the financial statements for FY 2025, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO, Directors or controlling shareholders, which are either still subsisting at the end of FY 2025 or, if not then subsisting, entered into since the end of the previous financial year.

## Whistleblowing Policy

(Provision 10.1(f))

HLF has in place a whistleblowing policy where employees of the Company or other persons can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters or other matters without fear of reprisals in any form.

The Company is committed to maintaining procedures for the confidential submission of reports and the identity of the whistle-blower concerned will not be disclosed if so requested by the whistle-blower who lodged the report and the whistle-blower will be protected from any unfair treatment as a result of his/her report. Investigations of such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances and involve persons who need to be involved in order to properly carry out the investigation and will, on a best efforts basis, be carried out in a timely manner.

The AC has the responsibility of overseeing the whistleblowing policy which is administered by the Head of IA. The AC has also designated the Heads of IA and HR as the independent designated officers to investigate whistleblowing reports and submit the results to the AC.

In order to facilitate and encourage the reporting of such matters, an abridged version of the whistleblowing policy, together with the dedicated whistleblowing communication channels (email and postal address as well as telephone contact numbers) are available on the Company's corporate website and is easily accessible by all employees and other persons.

The whistleblowing policy is reviewed by the AC annually to ensure that it remains current. For more details on the said policy including the procedures for raising concerns, please refer to the Company's corporate website at [www.hlf.com.sg](http://www.hlf.com.sg).

## Anti-Fraud and Anti-Scam Policy & Guidelines

HLF has in place an anti-fraud and anti-scam policy which provides guidance to the officers and employees of the Company on matters relating to the prevention, detection, reporting and investigation of frauds and scams. The AC reviews this policy, which is administered by the Head of Compliance Department, periodically at least once every two years or when there are material changes in the regulatory requirements.

## Anti-Corruption Policy & Guidelines

HLF has in place an anti-corruption policy and guidelines to provide guidance and assistance to officers and employees of the Company on matters relating to the prevention, detection, reporting and investigation of corruption and bribery. The BSC reviews this policy, which is administered by the Head of Compliance Department, periodically at least once every two years or when there are material changes in the regulatory requirements.

In 2025, the anti-corruption policy and guidelines were refined to clarify purpose, strengthen principles, define roles, and enhance case-handling procedures, including risk mitigation measures, red-flag examples, and a flowchart for reporting and escalation.

# CORPORATE GOVERNANCE REPORT

## Internal Audit

(Provisions 10.4 and 10.5)

The IA function is independent of the activities it audits. The Head of IA's primary reporting line is to the AC with an administrative line of reporting to the President of the Company. The appointment, resignation and dismissal of the Head of IA is reviewed and/or approved by the AC. As the Head of IA, Mr Sia Nam Chie has been identified as a KMP with effect from 1 February 2025, the RC together with the AC also evaluates the annual performance appraisal of the Head of IA and in consultation, recommended all bonus payments and salary adjustments for this position within the compensation policies established by the Company, to the Board for approval. The AC meets the Head of IA at least once annually without the presence of Management. The Head of IA has unfettered access to the AC, the Board and Management, and has unrestricted access to all records, files, documents, personnel and physical properties relevant to the performance of audits and retention of copies of the documents obtained, where required.

IA operates within the framework stated in its IA Charter which is approved by the AC and reviewed on an annual basis. The standards of the IA Charter are consistent with the Global Internal Audit Standards set by the Institute of Internal Auditors.

Mr Sia has a total of 30 years of working experience, holding senior positions in various functions such as Risk Management, Operations, Legal and Compliance. The IA team members have the relevant qualifications and experience; and most of them are members of professional bodies (CPA, CA and ACCA), Certified Internal Auditor and Certified Fraud Examiner. Processes are in place to ensure that the professional competence of the IA staff is maintained or upgraded through training programmes, and the AC reviews on an annual basis the continuing professional education programme for the IA team which comprises technical and non-technical training for professional and personal development of the IA staff.

## Role and Activities of IA

The primary role of the IA is to assist the Board and the AC to evaluate and improve the adequacy and effectiveness of the internal controls and risk management processes of the Company, by ensuring that the scope of the IA's work is reasonably comprehensive to enable effective and regular review of the key operational, financial and related activities of the Company.

The AC approved the 2025 IA plan in January 2025 and received regular reports during 2025 on the progress of the audit work under the IA plan. Key observations, recommendations and management responses were also reviewed and discussed at the AC meetings. The AC was satisfied that recommendations made were dealt with by Management in a timely manner with any outstanding recommendations being closely monitored and reported back to the AC.

The AC reviewed the effectiveness and adequacy of the IA function including its resources through a review of the IA activities on an ongoing basis as well as its annual assessment of the IA function. The assessment was facilitated through the use of an evaluation framework which covers IA organisation, resources and continuing training, audit plans, work scope, quality of reports and recommendations, IA Charter and IA internal control assessment. Based on the assessment conducted for 2025, the AC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Company to perform its functions effectively.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

Being committed to good corporate practices, the Company treats all shareholders fairly and equitably. To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNet.

### General Meetings

(Provisions 11.1, 11.2 and 11.3)

Shareholders are informed of general meetings through notices sent to them. All shareholders are entitled to attend and vote at general meetings in person or by proxy or in the case of a corporate shareholder, through its appointed representative. They are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters concerning the Company.

The rules for the appointment of proxies, including information that the voting will be conducted by way of poll, are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders who are not relevant intermediaries may appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings. Proxy forms must be deposited at such place or places specified in the notice or document accompanying the notice convening the general meetings at least seventy-two (72) hours before the time set for the general meetings.

The Company provides for separate resolutions at general meetings on each substantial issue, including treating the re-election of each Director as a separate resolution. Should the resolutions be bundled, the Company will explain the reasons and material implications for doing so in the notice of the general meeting. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in the AR.

All Directors, including the Lead ID, the chairmen of the respective Board Committees, the President and other members of the Senior Management team, the EA and legal advisors (where necessary) are present at general meetings to address queries from the shareholders. Questions relating to the conduct of the audit and the preparation and content of the EA's report may be addressed by the EA. At each AGM, the President or the CFO delivers a presentation to update shareholders on the Company's financial performance in the preceding year.

## 2025 AGM

The 2025 AGM was held on 24 April 2025 in a wholly physical mode at M Hotel Singapore. Arrangements for the submission of questions to the Chairman of the Meeting in advance of the 2025 AGM and voting at the 2025 AGM by shareholders or their duly appointed proxy(ies) were set out in the Notice of AGM which was released on SGXNet on 26 March 2025. The Notice of AGM together with a copy each of the detachable proxy form and AR request form were also despatched to shareholders by post.

All the Directors including the Board Chairman and the chairmen of the respective Board Committees, members of the Senior Management team including the President and the CFO and the EA were in attendance at the 2025 AGM.

## Forthcoming 2026 AGM

The forthcoming 2026 AGM will continue to be held in a wholly physical mode at M Hotel Singapore on 23 April 2026. Shareholders will receive, via post, the Notice of the 2026 AGM together with a copy each of the detachable proxy form and AR request form for shareholders' use. These documents will also be made available on the Company's corporate website. The AR, Notice of the 2026 AGM and the accompanying proxy form will also be published on the SGX website.

Further, as part of the Company's commitment towards environmental sustainability, printed AR will only be sent to shareholders upon receipt of duly completed AR request forms. Arrangements relating to the submission of questions in advance of the 2026 AGM and voting at the 2026 AGM by shareholders or their duly appointed proxy(ies) or representative(s) in the case of corporate shareholder, are set out in the Notes of the Notice of the 2026 AGM.

## Voting at General Meetings

(Provision 11.4)

Shareholders are given the opportunity to vote at general meetings even when they are not in attendance as they may appoint proxy(ies) to vote on their behalf. However, as the authentication of shareholder identity information and other related integrity issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

For greater transparency and a more efficient voting system, the Company conducts voting by electronic poll for all resolutions proposed at its general meetings. With electronic poll voting, shareholders present in person or represented by proxy at the AGM will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be displayed on-screen at the meeting and

announced via SGXNet after the AGM. Voting procedures for the electronic poll voting will be explained at the AGM and an external firm which is independent of the firm appointed to undertake the electronic poll voting process, will be appointed as scrutineers for the AGM voting process.

## Minutes of General Meetings

(Provision 11.5)

The Company also maintains minutes of its general meetings, which include the key comments and queries raised by shareholders and the responses from the Board, Senior Management and/or the EA. The minutes of the general meetings are available on the Company's corporate website and the SGX website as soon as practicable after the meetings.

## Dividend Policy

(Provision 11.6)

The Company has a formalised dividend policy which aims to pay dividends twice a year, at rates which balance returns to shareholders with prudent capital and financial management. Before proposing any dividends, the Board will consider a range of factors, including the Group's financial performance taking into consideration the macroeconomic outlook and business environment; maintaining prudent capital and liquidity positions above regulatory requirements to support lending activities; sufficiency of retained earnings and cash to support business operation and sustain growth as well as maintaining a sustainable return to shareholders as part of profit distribution. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

The Company strives to maintain a strong capital position to ensure market confidence, and to meet the expectations of depositors, customers and investors, while ensuring compliance with regulatory minimum capital adequacy ratio at all times, and to transfer a requisite proportion of its annual net profit to the statutory reserve which is not available for distribution to shareholders.

In line with the Company's dividend policy, the Board has recommended a final dividend of \$0.0615 per share. This will bring the total dividend for FY 2025 to \$0.089 per share. The dividend payouts in the current and past four years are set out in the 'Five Year Financial Summary' section of the AR.

## Principle 12: Engagement with Shareholders

The Company notifies its investors in advance of the date of release of its financial results via SGXNet. For FY 2025, results for the first half-year ("1H") were released to shareholders within 45 days of the end of 1H whilst annual results were released within 60 days from the financial year end. In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

For the financial year under review, the President and the CFO provided assurance to the AC and the Board on the integrity of the 1H unaudited financial statements and the Board in turn provided negative assurance confirmation in respect of the unaudited financial statements for 1H in accordance with the regulatory requirements.

# CORPORATE GOVERNANCE REPORT

The Company ensures that investors are notified of all material information in an accurate and timely manner. Should there be an inadvertent disclosure made to a select group, the Company will release the same information promptly via SGXNet. The financial statements and other presentation materials presented at the Company's general meetings including material and price-sensitive information, are disseminated and publicly released via SGXNet on a timely basis. All shareholders are notified of general meetings and the documents relating thereto which are made available on the Company's corporate website and SGX website.

## Shareholder Communication

(Provision 12.1)

Shareholders and investors can contact the Company or access information on the Company at its website at [www.hlf.com.sg](http://www.hlf.com.sg) which has a dedicated "Investor Relations" ("IR") link that provides, *inter alia*, information on the Board of Directors, Annual Reports, financial results as released by the Company on SGXNet, financial highlights and matters relating to the Company's AGM, and minutes of general meetings. The website also provides contact details for shareholders to submit their feedback/enquiry and raise any questions to the Lead ID via a link in his profile page under the Board of Directors section as well as via Investor Relations.

Shareholders are encouraged to attend the 2026 AGM in person so that they can engage with the Board directly.

## Investor Relations Policy

(Provisions 12.2 and 12.3)

The Company aims to build investor confidence and trust through effective open, two-way communication with shareholders and the investment community. The Company's IR Policy which is available on the Company's corporate website ([www.hlf.com.sg](http://www.hlf.com.sg)), sets out the process and mechanism to engage its stakeholders, including the channel of communication through which shareholders and investors may pose queries and through which the Company may respond. The IR Policy outlines the principles and framework in which the Company communicates and engages with investors and other IR stakeholders to provide balanced, clear and pertinent information.

## MANAGING STAKEHOLDER RELATIONSHIPS

### Principle 13: Engagement with Stakeholders

The Company has identified its stakeholders and has arrangements in place to engage with them through a variety of channels (including via the Company's corporate website) in order to determine the environmental, social and governance issues that are important to them. These issues form the materiality matrix upon which targets, metrics, initiatives and progress are reviewed by the Management team and reported to the BSC and the Board for approval, before they are published annually in the Company's sustainability report. Further information on the Company's approach to stakeholder engagement and its materiality assessment can be found in the Sustainability Report in this AR.

## Corporate Values and Conduct of Business

The Board and Senior Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has in place an internal code of conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code provides a communicable and understandable framework for employees to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers, regulators and amongst employees, including situations where there are potential conflicts of interests. In addition to the code, the Company has in line with MAS' guidelines, developed and implemented an Individual Accountability and Conduct Policy. The key objectives include:

- identify senior managers and material risk personnel with responsibility for the core functions of the Company's operations
- establish and promote good governance and a strong risk culture
- establish clear roles and responsibilities of senior managers and material risk personnel to facilitate accountability
- ascertain that senior managers and material risk personnel are fit and proper for their roles

In line with the Board's commitment to maintain high ethical standards which are integral to the Company's corporate identity and business, the Company also has the following corporate policies and procedures in place:

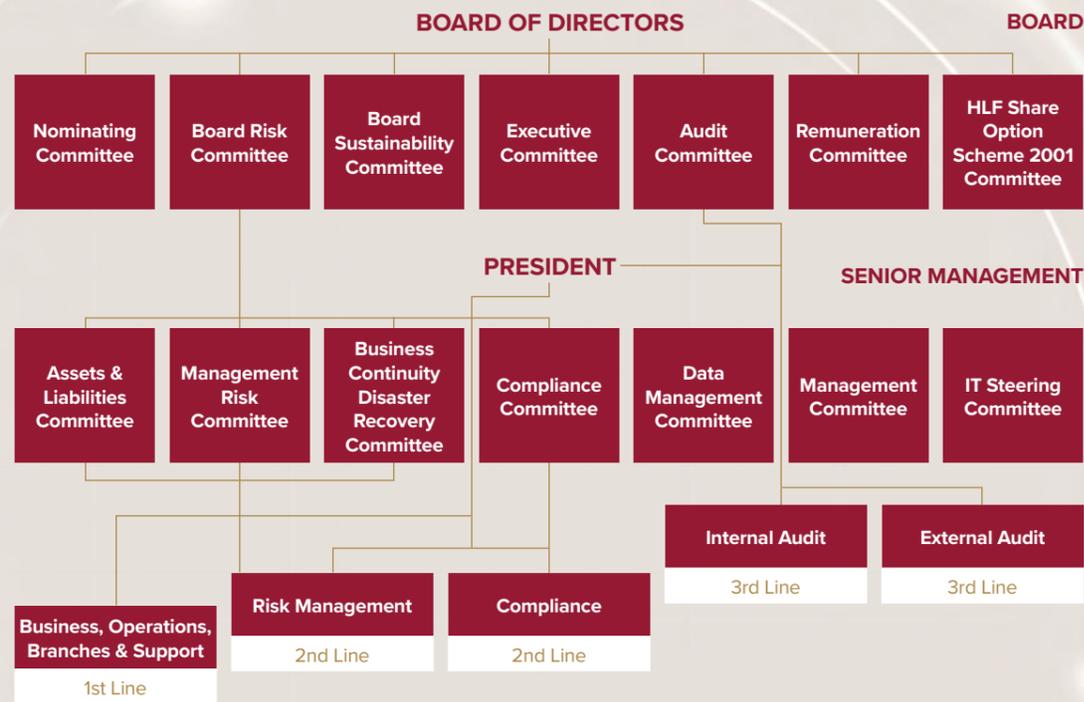
- (i) Anti-Money Laundering (AML) and Countering the Financing of Terrorism Policy (CFT) and Guidelines provide provisions, guidance and controls to ensure compliance with AML and CFT requirements, provide direction to the Company's officers and employees on conducting business ethically, and guard against involvement in transactions or relationships that may facilitate money laundering or terrorism financing. In 2025, the AML/CFT policy and guidelines were updated to ensure alignment with the revised MAS Notice 824 and its guidelines.
- (ii) Anti-Fraud and Anti-Scam Policy and Guidelines, details of which are set out under the sub-header 'Anti-Fraud and Anti-Scam Policy' above;
- (iii) Whistleblowing Policy, details of which are set out under the sub-header 'Whistleblowing Policy' above;
- (iv) Anti-Corruption Policy and Guidelines, details of which are set out under the sub-header 'Anti-Corruption Policy' above;
- (v) Procurement Policy which is adopted to ensure that the procurement process in the Company is fair, consistent and transparent. The policy provides guidance to the Company's officers and employees to conduct the Company's procurement activities in a manner above reproach, with complete impartiality and with no preferential treatment;

- (vi) Personal Data Protection Policy and related data management policies which provides guidance to employees on matters related to the Personal Data Protection Act 2012;
- (vii) Competition Law Policy which states the Company's policy to compete fairly and ethically in the conduct of business and provides direction and guidance to employees in their relationships and communication with competitors and customers;
- (viii) Policy on transactions with RP/IP which provides guidance to the Company's officers and employees to conduct RP/IP transactions on an arm's length basis and on normal commercial terms consistent with its usual business practices and policies, not prejudicial to the interest of the Company and its minority shareholders and on terms which are not more favourable to the RP/IP than those extended to other unrelated third parties under similar circumstances;
- (ix) Complaint Handling Procedures which ensure that all complaints from customers are dealt with professionally, fairly, promptly and diligently and decisions are clearly communicated to customers; and
- (x) Compliance Policy which defines compliance risk, set principles and standards, and establishes responsibilities across the Three Lines of Defence model.

## Internal Code on Dealing in Securities

The Company has in place an internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and officers. These guidelines prohibit all Directors and employees from dealing in the Company's securities (a) on short-term considerations; (b) while in possession of unpublished material price-sensitive information in relation to such securities; and (c) during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the date of announcement of the Company's full year financial statements (if the Company is required to announce its quarterly financial statements), and during the period commencing one month before the date of announcement of the Company's 1H and full year financial statements (if the Company is not required to announce its quarterly financial statements). The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities.

# RISK MANAGEMENT REPORT



Risk Management is at the centre of the Company's business strategy to protect its customers, shareholders and all the stakeholders to achieve sustainable growth in targeted market segments. This is achieved through informed risk decisions and robust risk management, supported by a consistent risk-focused culture.

The Company is committed to embrace governance, risk management and controls to undertake risks responsibly through a robust risk management framework, which is aligned with the industry best practices.

The Company believes that a strong risk management process will support effective business strategies and capital allocations to increase shareholders' value. Therefore, risk and return are evaluated and managed to produce sustainable revenue and reduce earnings volatility.

The Company's risk management framework is supported by:

- (a) Strong tone from the top and prudent risk appetite that are set at the Board's level;
- (b) Clear directives through policies and guidelines that are issued by the Board and Management;
- (c) Appropriate governance processes that are executed through various Board and Management Committees;
- (d) Ongoing monitoring and timely escalation processes that are performed by risk owners and controls units.

The Company has adopted a three lines model in the organisation structure to instil ownership, accountability, and independent management of risks.

### THREE LINES MODEL

All staff are responsible for understanding and managing risks within the context of their individual roles and responsibilities. In the first line, the Business, Operations, and Support departments are risk owners who are primarily responsible for identifying, assessing, and managing risks through the implementation of effective controls. These controls are

embedded, performed, owned and overseen within the day-to-day business processes.

In the second line, departments such as Risk Management, Credit Control and Compliance establish frameworks, policies, guidelines, and limits to manage Credit, Market and Liquidity, Operational, and Environmental risks. They are also responsible for monitoring risks against limits and escalate exceptions where necessary. In addition, Credit Control review and endorse the credit proposals before they are submitted for approvals.

In the third line, Internal and External Audit functions provide independent assurance over the effectiveness of governance, risk management and controls.

### RISK MANAGEMENT DEPARTMENT

The department is independent of the business units, and performs the role of establishing risk management policies and guidelines. The main functions include:

- (a) Supporting the Board Risk Committee (BRC) in carrying out its oversight of the risk management programme;
- (b) Supporting Senior Management in achieving the strategic priorities by maintaining and enhancing the risk framework; and
- (c) Promoting a strong risk culture that emphasises every employee's accountability for appropriate risk management.

The department monitors and reports risk profiles, exposures and trends regularly to Senior Management and the BRC. In addition, risk management policies, limits and systems are reviewed regularly to reflect changes in regulations, markets, products and best practices.

The following paragraphs describe the ways which various risk types are measured and managed.

### STRATEGIC RISK

Strategic risk is the risk that adverse business decisions, ineffective or inappropriate business plans or failure to respond

to changes in the competitive environment, business cycles, customer preferences, product obsolescence, execution and/or other intrinsic risks of business will impact the Company's ability to meet its objectives.

Business environment and strategies are key drivers of the risk profile. The Senior Management scans the environment regularly for changes and impacts. Strategies are formulated to manage new risks and tap on emerging opportunities.

An integrated business planning and budgeting process is adopted to manage strategic risk. A key component of this process is the alignment of strategies, goals, tactics and resources by the various business units and support departments. A planning process flows through the business units, identifying business unit plans that are aligned with the Company's direction.

Management has formed Management Committee ("MC") to oversee strategic risk.

### CREDIT RISK

Credit risk is the potential loss arising from the failure of borrowers and/or counterparties to meet their contractual obligations. The Company is exposed to credit risk from lending activities to retail, corporate and institutional borrowers.

Management has formed Management Risk Committee ("MRC"), Loans Collection Committee and Development Loan Committee to oversee various aspects of credit risk.

### Policies, Guidelines and Processes

The credit risk management is governed by policies, guidelines and processes, which are reviewed and approved regularly to ensure the credit processes identify, measure and monitor credit risk exposures, and manage them to an acceptable level, consistent with the risk tolerance and aligned with the relevant business strategy.

### Credit Portfolio Management and Concentration Risk

The Company's guiding principle in its lending activity is to diversify its loan portfolio mix and avoid undue concentration of credit risks in its loan portfolio. Credit concentration risks are managed by setting credit portfolio limits, which are reviewed regularly to reflect changing business strategies and environment.

### Mitigation

In line with the prevailing business plan, the Company will continue to pursue credit risk exposures mainly in secured lending. As a fundamental credit principle, HLF does not grant credit facilities solely on the basis of collaterals provided. Instead, facilities are granted primarily based on the borrowers' credit worthiness, debt servicing abilities and sources of repayment. Where practical, the Company takes collateral as a secondary recourse of repayment to mitigate credit risks. The values of collaterals, including cash, properties, motor vehicles, shares, trade receivables, plants and equipment, are monitored periodically.

### Stress Test

Regular Credit Stress Tests are conducted to identify the impact on asset quality, earnings performance and capital adequacy to a range of adverse scenarios. The Company's stress test scenarios include potential but plausible macroeconomic conditions and geopolitical events in varying degrees of severity. This helps the Company to assess its capital adequacy, identify potentially risky portfolio segments, and plan preventive actions.

More details on credit risk could be found in the Financial Statements on pages 142 to 148.

### MARKET RISK

Market risk is the risk to earnings and capital arising from changes in the interest rates environment. Mismatches in the repricing periods of assets and liabilities expose the Company to market risks. Interest rate risks in the banking book are driven by customers' deposit taking and lending activities, holdings in the statutory liquid asset portfolio and funding activities.

Management has formed Assets and Liabilities Committee ("ALCO") to oversee various aspects of market risks.

### Policies, Guidelines and Processes

The market risk management is governed by policies, guidelines and processes which are subjected to regular reviews to ensure that they remain relevant to the current market practices and regulatory guidelines. This involves quantifying the magnitude of interest rate risk within the balance sheet through various risk techniques such as repricing gap analysis, net interest income simulation and present value of a basis point (PV01).

### Mitigation

The mitigation of interest rate risks is deployed through the pro-active management of deposits strategies. Limits are set and reviewed regularly. Exposures are monitored against approved limits to ensure that risks are within tolerable thresholds.

### Stress Tests

Regular stress tests are performed to assess the impact on net interest income to extreme interest rate movements. These tests provide early signals to warn of potential extreme losses, which facilitate the proactive management of interest rate risk in a fast changing financial environment.

More details on interest rate risk could be found in the Financial Statements on pages 152 to 155.

### LIQUIDITY RISK

Liquidity risk is the risk that arises from the Company's inability to meet its obligations to honour withdrawal of deposits and fund increases in assets as they fall due.

Management has formed ALCO to oversee various aspects of liquidity risk.

### Policies, Guidelines and Processes

The liquidity risk management is governed by policies, guidelines and processes, as approved by the ALCO. These are subjected to regular reviews to ensure that they remain relevant to the current market practices and regulatory guidelines.

Exposures are monitored through liquidity gaps and liquidity risk ratios such as the loans to deposits, top depositors and minimum liquid asset ratios. Early warning indicators and triggers are implemented to identify potential liquidity crises before they arise.

### Mitigation

In the management of liquidity risk, the Company ensures that there are sufficient funds at all times over a range of market conditions to meet both contractual and regulatory obligations. These include minimising excessive funding concentrations by diversifying the sources of funds and maintaining a portfolio of high quality liquid assets in excess of regulatory requirements. Exposures are managed against approved limits to ensure that risks are within tolerable levels.

The Company's funding and liquidity position is underpinned by its significant customer deposits base, and supported by strong relationships with corporate customers to supplement its retail deposits base.

# RISK MANAGEMENT REPORT

## Stress Tests

Liquidity stress tests are performed regularly under a range of adverse and plausible stress scenarios to assess the potential impact of severe market disruptions on the Company's liquidity position. During the year, the liquidity stress testing framework was further enhanced to strengthen the overall robustness of the stress testing process.

In the event of a liquidity crisis, there are various contingency funding strategies and action plans in place, which can be activated to mitigate the impact of a liquidity crunch.

More details on liquidity risk could be found in the Financial Statements on pages 148 to 151.

## OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events that are neither market nor credit related. It includes risks arising from frauds, errors, regulatory violations, natural disasters, systems failures, cyber security and lapses by outsourced service providers, but exclude reputational risk.

Management has formed MRC, Compliance Committee, Information Technology Steering Committee, Data Management Committee and Business Continuity Disaster Recovery Committee to oversee various aspects of operational risk.

## Policies, Guidelines and Processes

Operational risk is governed by a set of policies, guidelines and processes approved by various committees and are subjected to regular reviews to remain relevant to the best practices and regulations. The policies require all departments to achieve their objectives through the effective identification, assessment, measurement, mitigation, monitoring and reporting of operational risks.

The Company issues various policies and guidelines to address specific areas of operational risk, such as compliance, cyber security and outsourcing risks, amongst others. In particular, policies are issued to direct the compliance with various laws and regulations applicable to anti-money laundering and countering the financing of terrorism, fraud and bribery/corruption, and personal data protection.

## Mitigation

Business units implement processes and controls to mitigate operational risk. Management tools, such as operational risk self-assessment, key risk indicators and risk event report, are implemented to identify and monitor risk profiles. Operational risk self-assessments have been strengthened through mandatory independent testing, ensuring comprehensive validation. Where gaps are identified, appropriate action plans are promptly formulated and systematically tracked to closure.

## Business Continuity Management

The Company strives to mitigate risks of business disruptions in the event of unforeseen disasters through the planning and building of business resilience. Business impact analyses are performed to identify key processes, where recovery strategies are formulated, in consultation with Risk Management department.

The business continuity plans are tested regularly to validate their feasibilities and to enhance the staff's familiarity and preparedness for disruptions and crises.

## REPUTATIONAL RISK

Reputational risk can arise from events relating to credit risk, regulatory, legal, operational risks and failure to maintain strong risk conduct. The Company takes serious considerations in managing its reputational risk through its corporate governance structure, various risk management and compliance frameworks, as well as controls embedded in the operational processes.

## ENVIRONMENTAL RISK

Environmental risks, such as climate changes, may impact credit, market, liquidity, and operational risks. Considerations of environmental risks, including climate-related risks, are integrated in the Company's risk management process, including risk identification, assessment, mitigation, monitoring and reporting.

The Management considers the potential credit risk impact by climate changes to be the most material.

## Policies, Guidelines and Processes

Environmental risk is governed by a set of policies, guidelines and processes approved by various committees and are subjected to regular reviews to remain updated.

Management has formed Sustainability workgroups to implement key environmental, social and governance ("ESG")-related initiatives and manage material environmental risk issues. The Sustainability workgroups report their work progress regularly to the MC and Board Sustainability Committee.

## Responsible Financing

Responsible financing, covering ESG issues, is a topic of increasing importance and one that affects lending decisions to corporate borrowers. In support of promoting responsible financing lending practices, checks are performed for companies operating in sectors with elevated ESG risk profiles or those noted to have ESG issues from the previous assessment. Relationship managers are trained on the ESG framework, policies and guidelines.

## Mitigation

Risk Management department is working closely with Credit Control and business units to conduct analyses of the climate-related risks and impacts on the borrowers, especially those in high-environmental risk sectors.

More details on environmental risk could be found in the Sustainability report on pages 62 to 72.

## Stress Tests

The Company initiated a climate risk stress test as a forward-looking assessment to understand how climate-related vulnerabilities such as physical risks from extreme weather events and transition risks from policy and technological shifts could affect the property and vehicle loan portfolios across various time horizons. This proactive, ongoing monitoring strengthens the Company's understanding of evolving exposures and enables the identification of strategic opportunities to actively manage and mitigate climate-related risks.

# SUSTAINABILITY REPORT

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## ABOUT THIS REPORT

Hong Leong Finance Limited ("HLF") is pleased to present our Sustainability Report 2025 ("SR"), which communicates our approach to managing the material Economic, Environmental, Social and Governance ("EESG") topics that affect our business. The SR outlines our policies, practices, initiatives, performance and targets, and provides an update on our progress for the financial year ending 31 December 2025 ("FY 2025").

## Reporting Framework

This SR has been prepared:

- in accordance with Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B on Sustainability Report, and Practice Note 7.6 Sustainability Reporting Guide;
- with reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") issued in 2021 by the Global Sustainability Standards Board, which were applied to guide sustainability reporting principles and the identification of material topics;
- with reference to the International Sustainability Standards Board ("ISSB") Standards, including *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*, as well as the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"); and
- with reference to the Sustainability Accounting Standards Board ("SASB") Consumer Finance Standards, where relevant, to enhance the comparability of sector-specific sustainability information.

The Company will continue to enhance its sustainability and climate-related disclosures over time, considering evolving regulatory requirements, industry developments, and stakeholder expectations.

## Reporting Scope

The SR covers the operations of HLF, which operates solely in Singapore. The content of the report focuses on activities carried out within FY 2025, though where applicable, data from previous financial years are included for comparison.

## Data and Internal Assurance

We apply a standardised approach to data collection and analysis in accordance with our Sustainability Reporting Policy to ensure that the sustainability reporting process is fair, consistent, and transparent. As part of our governance process, the sustainability practices are subject to internal audit review, which evaluates data accuracy, methodological alignment and consistency with internal policies. We are strengthening the sustainability practices and will engage external assurance service provider in due course.

We welcome your feedback and suggestions at sustainability@hlf.com.sg.

This SR, which is part of our Annual Report 2025, is published on our website at <https://www.hlf.com.sg/ar.html>.

## CORPORATE GOVERNANCE STATEMENT OF SUPPORT 2025

*"At Hong Leong Finance (HLF), we view strong governance as the cornerstone of sustainable performance. Effective oversight, accountability, and forward planning enable us to navigate change with confidence and resilience. Guided by integrity and disciplined risk management, we pursue strategic opportunities that strengthen our enterprise, enhance stakeholder trust, and create enduring value for our customers, investors, and communities."*

- Mr Ang Tang Chor, President of HLF

# SUSTAINABILITY REPORT



## BOARD STATEMENT

2025 saw continued global momentum in climate action, responsible finance and sustainability reporting. With accelerating transition plans

worldwide and increasing expectations on businesses to demonstrate credible progress, organisations are adapting to heightened regulatory requirements, enhanced disclosure standards and stronger stakeholder focus on environmental and social outcomes. Against this backdrop, Hong Leong Finance (“HLF”) remains committed to ensuring that sustainability continues to form part of our long-term business direction and decision-making.

Amid these developments, we set our first commitment to achieve net zero emissions for our operational Scope 1 and 2 greenhouse gas emissions and began referencing the International Sustainability Standards Board (“ISSB”) Standards in our sustainability disclosures. We also strengthened our support for the community, attaining the Company of Good (1-Heart) recognition for our social responsibility and environmental efforts. These initiatives reflect our ongoing progress to embed sustainability in our values, culture and operations.

### Climate Action and Environmental Progress

In the year, we advanced our climate-related initiatives while continuing to strengthen oversight and governance of environmental risks. The adoption of ISSB-referenced climate reporting, supported by a readiness assessment aligned with the Task Force on Climate-related Financial Disclosures (“TCFD”), enhances the quality and transparency of our disclosures, and supports more structured transition planning.

Our first operational net zero target provides a clear direction for our environmental objectives and strengthens alignment with Singapore’s national climate ambitions. In line with this target, we will continue to improve the quality of our emissions data and build our reporting capabilities.

Our Punggol Coast Mall branch was awarded the Building and Construction Authority (BCA) Green Mark Platinum for Retail, the highest tier under Singapore’s national green building rating system. This recognition reflects our commitment to integrating sustainability into our operations. The certification also underscores our alignment with national sustainability priorities and our focus on creating long-term value through responsible business practices.

### Supporting our People, Customers and Communities

People remain central to our sustainability efforts. We are committed to maintaining a fair and inclusive workplace, guided by the principles of the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”), while supporting continuous learning and development for all employees.

Customers are at the heart of our business, and we continued to enhance digital processes to bring them more convenience and strengthen their awareness of frauds and scams. Our corporate giving, volunteerism and environmental efforts have been recognised under the Company of Good framework, reflecting the contributions and positive impact we make on society and the environment.

### Governance and Transparency

HLF’s commitment to transparency and strong corporate governance underpin our resilience. We continued to be ranked among the top 5% of Singapore-listed companies in the Singapore Governance and Transparency Index (“SGTI”) for the second consecutive year, and we were conferred the Most Transparent Company Award (Big Cap Category) at the Securities Investors Association Singapore (“SIAS”) Investors’ Choice Awards.

### Looking Ahead

Our strategic 3-C approach — Climate-centric, Customer-centric and Compliance-centric — continues to guide the integration of sustainability across our operations. In the year ahead, we will continue to expand stakeholder engagement and build internal capabilities to support sustainable growth and long-term value creation.

The Board of Directors and Senior Management thank our employees, customers, partners and stakeholders for their trust and collaboration. We look forward to our continued partnership to create a more resilient and inclusive future.

## KEY HIGHLIGHTS FOR 2025

Guided by our sustainability vision, mission and values, we achieved progress across our EESG pillars— Economic,

Environmental, Social and Governance. Through this approach, we delivered meaningful contributions to the environment and society, supported our customers in their transition to a low-carbon future, and reinforced our commitment to driving sustainable growth for the communities we serve.

### ECONOMIC



#### LAUNCH OF HLF DIGITAL SERVICE

Successfully launched HLF Digital services to all customers



#### FIRST HLF DIGITAL MILESTONE

Acquired over 11,000 sign-ups on the frontend platform in 2025, driving digital adoption



#### BUILDING A DIGITAL-READY WORKFORCE

Staff trained and cross-functional collaboration strengthened



#### TRANSFORMATION AND INNOVATION

Developed several digital transformation initiatives to enhance customer experience

### ENVIRONMENTAL



#### BCA GREEN MARK AWARD

Our Punggol Coast Mall branch achieved BCA Green Mark Platinum award for Retail



#### SCOPE 1 & 2 EMISSIONS

858.19 tCO<sub>2</sub>e



#### GROWTH IN GREEN BUILDING LOANS

12 loans financed, amounting to over \$1 billion green building loans



#### 14,318.92 tCO<sub>2</sub>e CARBON EMISSIONS AVOIDED

Through financing of green vehicles

### SOCIAL



#### COMPANY OF GOOD

Conferred Company of Good – 1 Heart by the National Volunteer and Philanthropy Centre (NVPC)



#### GENDER DIVERSITY

Achieved 33% female leadership representation (SVP and above), surpassing the 30% commitment



#### EMPLOYEE ENGAGEMENT AND WELLNESS

Showcased strong commitment to staff well-being through active participation and wellness initiatives



#### COMMUNITY INVOLVEMENT

Staff participated in 4 CSR events, underscoring our commitment to community support

### GOVERNANCE



#### MOST TRANSPARENT COMPANY AWARD (BIG CAP)

Conferred by Securities Investors Association Singapore (SIAS)



#### REGULATORY COMPLIANCE

100% completion rate for Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT), Anti-Fraud, and Anti-Corruption training



#### CUSTOMER TRUST

Safeguarding of funds, data, and transactions



# SUSTAINABILITY REPORT

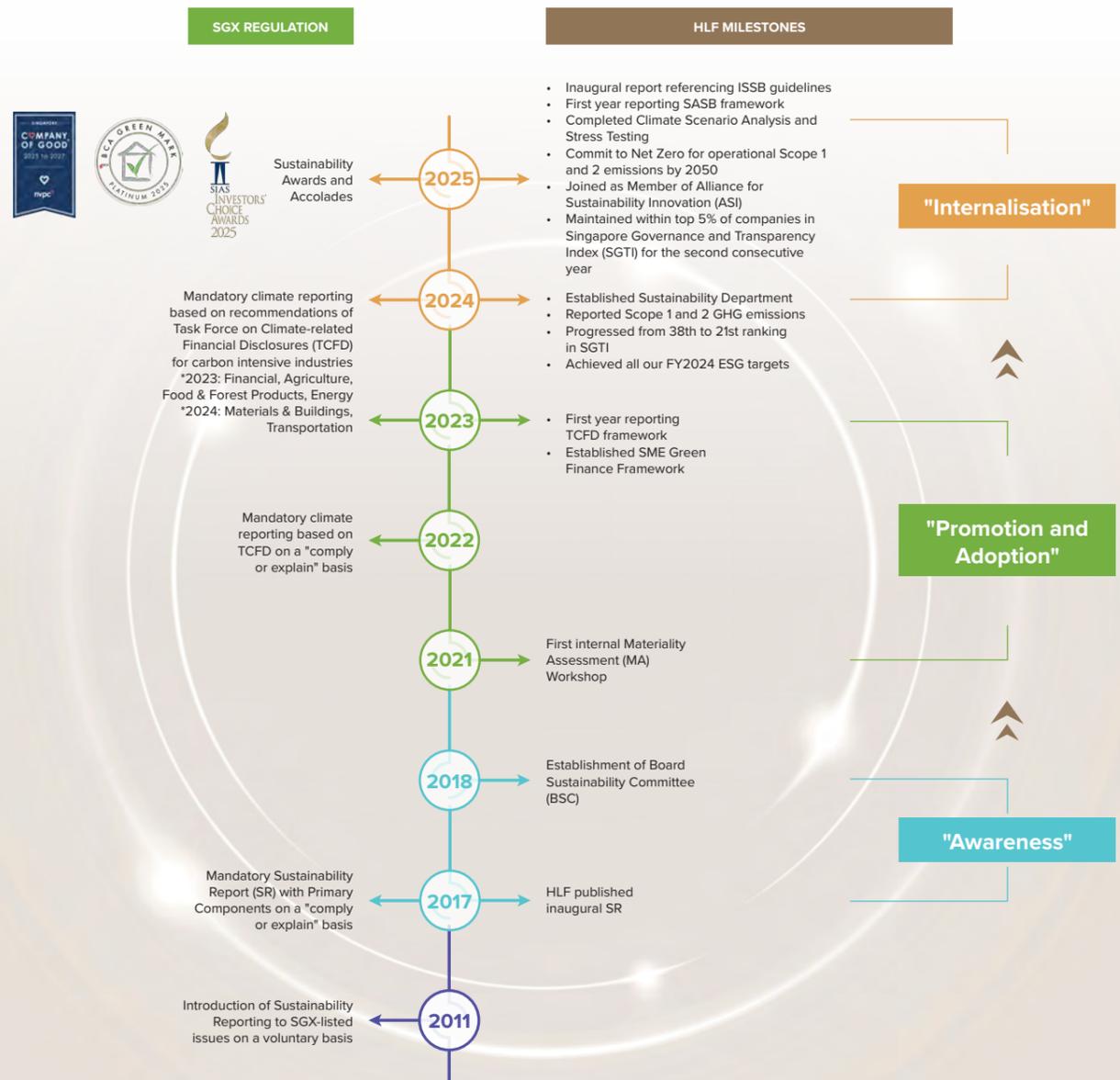
## SUSTAINABILITY AT HLF

At HLF, sustainability reflects our commitment to a long-term approach in managing the key issues that affect our business. Our efforts are guided by a structured Sustainability Framework, which enables us to maintain a resilient and profitable enterprise while fulfilling our climate and social responsibilities.

This commitment is reflected in our evolving milestones, from the publication of our first Sustainability Report in 2017, to the establishment of the Board Sustainability Committee (BSC) in 2018, and the creation of a dedicated Sustainability Department

in 2024. These were followed by our commitment to achieve net zero for operational Scope 1 and 2 emissions by 2050, as well as the publication of our inaugural report referencing ISSB guidelines in 2025. Each milestone marks meaningful progress in our journey, as we transition from awareness to adoption and ultimately internalisation of sustainability principles across our operations. Through these deliberate steps, we continue to embed EESG considerations into our core strategies, reinforcing our role in shaping a resilient and inclusive financial ecosystem.

For a full overview of our sustainability milestones, please refer to the detailed timeline below.



## Our Sustainability Framework and Approach

HLF's Sustainability Framework is deeply embedded in our corporate vision, mission, and values, and is guided by a strategic 3-C approach: Customer-centric, Compliance-centric, and Climate-centric. This approach shapes our business priorities and responsible practices, ensuring we deliver long-term value while meeting stakeholder expectations.

To ensure our efforts are globally aligned and locally impactful, our sustainability strategy is closely mapped to nine United Nations Sustainable Development Goals (UN SDGs) that are most relevant to our operations. The nine UN SDGs adopted are detailed in HLF Sustainability Framework.

These goals serve not only as global benchmarks but as practical guideposts for how we operate, innovate, and engage with our stakeholders. Our Sustainability Framework, illustrated below, guides every aspect of our sustainability strategy and approach.

Our sustainability approach is built on two core pillars:

- **Sustainable Business Priorities**, which drive long-term profitability and stakeholder value
- **Responsible Business Practices**, which uphold trust, transparency, and operational excellence



## OUR VALUES

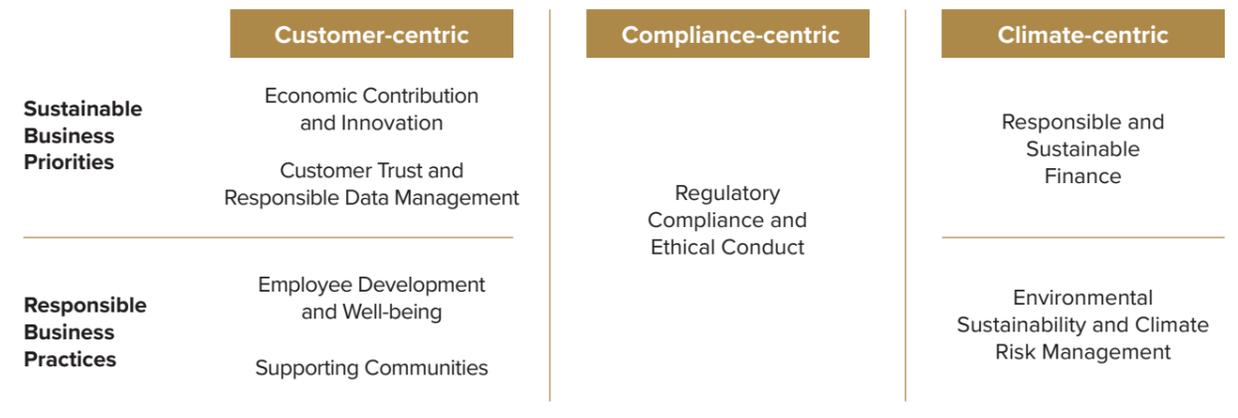


## STRATEGIC AREAS OF FOCUS



## 3-C STRATEGIC APPROACH

Guided our business decisions and operations



## UN Sustainable Development Goals



# SUSTAINABILITY REPORT

## Materiality Assessment

In 2025, we conducted a comprehensive materiality assessment to identify and prioritise the sustainability issues most relevant to our business and stakeholders. Led by the Sustainability Department and supported by key representatives from our Sustainability Reporting Working Committee (SRWC), the assessment applied double materiality principles to evaluate

both our organisation’s environmental and social impacts (impact materiality) and how sustainability-related risks and opportunities could influence our long-term financial performance and long-term value creation (financial/business materiality), referenced to the approach recommended under prevailing ESG reporting standards.

### Our methodology followed a structured, multi-stage process:



The results of the materiality assessment validated the continued importance of our existing material topics, reflecting alignment between our strategy and stakeholder expectations. This refreshed materiality assessment will provide guidance

on our sustainability roadmap, strengthen disclosure quality, and guide resource allocation as we work towards long-term value creation for our customers, employees, shareholders, and the wider community.

## STAKEHOLDER ENGAGEMENT

Creating and sustaining long-term value for all stakeholders is essential, as they are integral to our business success. We actively engage with stakeholders through various platforms

and feedback channels to understand their concerns and expectations. This includes ensuring our products and services remain relevant in a changing environment and continuously refining our practices and performance.

Our Key Stakeholders	Forms of Engagement	Key Topics Raised	Our Response
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>Website feedback form</li> <li>Calls to Customer Service Centre</li> <li>Formal correspondence</li> <li>Face-to-face meetings</li> <li>Newsletters, emails, SMS alerts</li> <li>Sustainability Report ("SR")</li> <li>Annual Report ("AR")</li> </ul>	<ul style="list-style-type: none"> <li>Customers' challenges in managing inflation</li> <li>Scam concerns</li> <li>Feedback on products and services</li> </ul>	<ul style="list-style-type: none"> <li>New loan packages and enhanced savings products were rolled out to assist customers in their business continuity and inflation management</li> <li>Dedicated webpage called "Security Centre" in our corporate website to provide more information about scam alerts and security tips to help protect customers</li> <li>Increased awareness on scams with notices at the branches and flyers distributed over-the-counter</li> <li>Implemented customer delivery improvements on customer feedback received by Customer Experience Committee ("CEC")</li> <li>Implemented an Anti-Scam Support Group for frontliners and the respective Branch Managers to contact for assistance required in potential scam cases encountered over-the-counter. This Support Group consists of our Fraud Officer, Branch Operations' officers and selected senior Branch Managers</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>Performance appraisals</li> <li>Seminars and training sessions</li> <li>Employee orientation</li> <li>Sports and Recreation Club for employees and their family members</li> <li>SR</li> <li>AR</li> </ul>	<ul style="list-style-type: none"> <li>Employee welfare, health and safety</li> <li>Upgrading of skills</li> <li>Career development</li> </ul>	<ul style="list-style-type: none"> <li>Provided extensive learning resources through Microsoft Sharepoint, internal and external courses</li> <li>Implemented Fraud and Scam Awareness micro-site to increase staff awareness on scams</li> </ul>



# SUSTAINABILITY REPORT

Our Key Stakeholders	Forms of Engagement	Key Topics Raised	Our Response
<b>Regulators</b> 	<ul style="list-style-type: none"> <li>• Consultations and meetings</li> <li>• Inspection reports</li> <li>• Survey, business and financial information updates</li> <li>• Half-yearly financial statements, annual audited financial statements, inclusive of regulatory and tax returns/ surveys as prescribed by Monetary Authority of Singapore (“MAS”) Notices and SGX circulars and regulations</li> <li>• Participation in workshops and trainings</li> <li>• SR</li> <li>• AR</li> </ul>	<ul style="list-style-type: none"> <li>• Prevention of financial fraud and money laundering and countering the financing of terrorism</li> <li>• Regulations, accounting, taxes and financial reporting</li> <li>• Enhancements in IT security to address IT risks such as cyberattacks</li> <li>• Strengthened data management processes</li> <li>• Strengthened anti-scam processes</li> <li>• Understanding of regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulatory guidelines, advisories and notices by the relevant authorities</li> <li>• Implemented revised policies and procedures to ensure business and operations meet the stipulated standards and requirements by the relevant authorities</li> <li>• Actively participated in consultation papers issued by regulators where relevant</li> <li>• Regularly reviewed and updated IT security policies</li> <li>• Hosted regular IT Security Awareness Employee Training</li> <li>• Established Fraud and Scam Awareness Team (HLF-FSAT)</li> <li>• Money Laundering and Terrorism Financing monitoring controls through a screening system</li> </ul>
<b>Investors</b> 	<ul style="list-style-type: none"> <li>• Annual General Meeting (“AGM”)</li> <li>• AGM presentation slides and minutes released via SGXNet</li> <li>• Disclosure of material information through SGXNet and press releases</li> <li>• Half-yearly results announcements</li> <li>• SR</li> <li>• AR</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Accurate and timely disclosures of material information relating to the Company and its financial performance</li> <li>• HLF’s plans towards digital transformation</li> <li>• Dividend payment approach</li> </ul>	<ul style="list-style-type: none"> <li>• HLF is positioned among the top 5% out of 467 listed companies in the Singapore Governance and Transparency Index, a leading index for assessing corporate governance practices of companies listed in Singapore</li> <li>• Maintained good practices in corporate governance, business ethics and integrity</li> <li>• Implemented various digitalisation and transformation initiatives</li> <li>• Dividend policy which aims to pay dividends twice a year, at rates which balance returns to shareholders with prudent capital and financial management</li> </ul>
<b>Local Community</b> 	<ul style="list-style-type: none"> <li>• Community engagement activities, donations</li> </ul>	<ul style="list-style-type: none"> <li>• Community projects, local charities</li> </ul>	<ul style="list-style-type: none"> <li>• Supported community projects and organisations</li> </ul>

## SUSTAINABILITY GOVERNANCE AT HLF

Effective governance is fundamental to achieving our purpose and executing our business strategy. It ensures accountability, transparency, and ethical decision-making throughout the organisation. Our sustainability governance structure outlines clear delegation, and oversight to enable sound decision-making. It defines the roles and responsibilities of the Board and Senior Management, supporting our strategy to become a purpose driven organisation that prioritises stakeholder interests.

The Board and BSC provide oversight of our sustainability approach through a structured governance framework. To stay informed on sustainability-related developments and to strengthen oversight capabilities in addressing relevant sustainability-related risks and opportunities, the BSC, as well as Senior Management Team (SMT) receive quarterly updates on the relevant EESG topics.

The Board oversees environmental risks and delegates its supervisory and oversight functions to the BRC for environmental risks. The BRC reviews governance structures, environmental risk management capabilities, monitors environmental risk profiles, and ensures the adequacy of risk management practices implemented by senior management.

The SMT, through the Management Committee (MC), provides oversight on the identification of key sustainability

risks and opportunities, the setting of sustainability goals and targets, and the implementation and monitoring of initiatives to ensure these objectives are achieved. The Management Risk Committee (MRC), represented by senior management, oversees the implementation of environmental risk capabilities, allocates resources, reviews environmental risk management issues and updates BRC on material risk issues in a timely manner or at least twice annually.

These governance processes are supported by internal functions such as the Sustainability Department, that oversees the development and implementation of sustainability strategies, monitors sustainability performance, ensures compliance with EESG regulations, with quarterly updates to the MC and BSC. Risk Management Department (RMD) monitors portfolio-level exposures, reviews scenario analysis, stress testing parameters and the Environmental Risk Management (EnRM) guidelines biannually. The Sustainability Risk Working Committee (SRWC) and sustainability work groups coordinate EESG inputs and ensure consistency with the Sustainability Reporting Policy.

This disclosure on sustainability governance encompasses oversight structures, update processes and frequency, board competencies, and EESG targets. It reflects our commitment to transparent, accountable, and forward-looking climate risk governance, in alignment with the revised EnRM Guidelines and Sustainability Reporting Policy.



# SUSTAINABILITY REPORT

## Sustainability Governance Structure

The structure provides guidance on the approach to manage material topics and promote accountability.



## Board Sustainability Committee (BSC)

The Board is committed to the Company's strategic approach to integrating sustainability in its business and operations, and to advance the Company's sustainability efforts and achievements. In this regard, the Board has delegated to the BSC the general oversight of the Board's attention to sustainability issues and sustainability reporting. The BSC comprises three Directors, all of whom are non-executive Directors ("NED") with the majority being independent.

Established in 2018, BSC assists the Board in the review of the Company's sustainability issues including climate risks, initiatives and performance as well as emerging corporate governance trends and best practices, and reviews the Company's sustainability and corporate governance reports.

The members of BSC are:

- Mr Kevin Hangchi, Chairman (NID)
- Mr Clarence Yeo (ID)
- Ms Jeann Low (ID)

The Company has also established a skills matrix to help classify skills, experience and knowledge of the existing Directors into broad categories, including industry knowledge; skills in audit/finance/accounting, risk management, sustainability and digital/information technology/cyber security, and target to maintain the Board's core skill set across these key areas. Based on the Directors' skills matrix, 80% of the Board possess expertise in risk management and 40% in sustainability (refer to Pg 31 of Annual Report).

## Sustainability Related Policies and Guidelines

Our overarching principles and approach towards sustainability are stipulated in the sustainability-related policies and guidelines, implemented across our business to assess, mitigate and manage sustainability risks within the Company's operations, as well as business relations. They are:

- Sustainability Reporting Policy ("SR Policy")
- Environment Risk Management ("EnRM") Guidelines (formulated primarily to operationalise MAS Guidelines on Environmental Risk Management (Banks) Dec 2020)
- Small and Medium-Sized Enterprises ("SMEs") Green Finance Framework
- Credit Risk Management Policy
- Credit Manual



## SUSTAINABILITY TARGETS AND PERFORMANCE

EESG Pillars	Material Topics	Relevant UN SDGs	Sustainability Targets	Target Date	FY2025 Performance
Economic	Economic Contribution and Innovation	<ul style="list-style-type: none"> <li>• <b>SDG 9:</b> Build resilient infrastructure, promote sustainable industrialisation and foster innovation</li> </ul> 	<ul style="list-style-type: none"> <li>• Accelerate the adoption of digital tools and technologies to enhance operational efficiency and product offerings while minimising reliance on paper-based processes.</li> </ul>	Ongoing/ Short Term	<ul style="list-style-type: none"> <li>• HLF Digital platform has been operationalised and rolled out to both new and existing customers.</li> <li>• The paperless car loan disbursement process has been reengineered, reducing turnaround time from T+3 to T+1.</li> <li>• Initiatives to streamline collections and trade services operations are in progress, aimed at improving efficiency and reducing paper-based processes, with targeted implementation in 2026.</li> <li>• A pilot project to develop a digital business loan origination platform is underway, with targeted implementation in 2026, to enhance customer experience and further reduce reliance on paper.</li> </ul>
			<ul style="list-style-type: none"> <li>• Foster a culture that actively promotes and supports digital transformation and innovation across the organisation.</li> </ul>		<ul style="list-style-type: none"> <li>• Offered digital focused trainings to all staff such as "Mastering HLF Digital and Growing Mindset" with ongoing collaboration among cross-functional teams to drive changes as part of transformation programme.</li> </ul>
		<ul style="list-style-type: none"> <li>• Increase the adoption of digital onboarding solutions for new-to-bank customers and transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• Following the 2024 launch to existing customers, the next phase was rolled out in 2025 to extend to new customers, bringing our sign-ups on HLF Digital App to a cumulative total of over 18,000.</li> </ul>		
Environmental	Responsible and Sustainable Finance	<ul style="list-style-type: none"> <li>• <b>SDG 7:</b> Ensure access to affordable, reliable, sustainable and modern energy</li> <li>• <b>SDG 8:</b> Promote inclusive and sustainable economic growth, employment and decent work for all</li> <li>• <b>SDG 11:</b> Make cities inclusive, safe, resilient and sustainable</li> <li>• <b>SDG 12:</b> Ensure sustainable consumption pattern and production patterns</li> <li>• <b>SDG 13:</b> Take urgent action to combat climate change and its impacts</li> </ul>	<p><b>SDG 8 (Responsible Finance):</b></p> <ul style="list-style-type: none"> <li>• ESG risk considerations in lending decisions are continuously managed and enhanced, guided by the Responsible Financing Policy, which is regularly reviewed and strengthened in line with evolving regulatory expectations, market practices, and the development of green products.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• ESG risk considerations in lending continue to be maintained in line with the Responsible Financing Policy.</li> </ul>
			<p><b>SDG 11 and 13 (Sustainable Finance):</b></p> <ul style="list-style-type: none"> <li>• Finance or refinance green-certified buildings (e.g. BCA Green Mark, LEED, WELL) and increase green building financing portfolio.</li> </ul>		<ul style="list-style-type: none"> <li>• A total of 12 loans, amounting to more than \$1,078 million, are currently financed under our Green Building initiative, an increase of 8.1% in overall green building loans exposure from 2024.</li> </ul>
	Environmental Sustainability and Climate Risk Management		<ul style="list-style-type: none"> <li>• To achieve 80% of vehicle financing portfolio in green vehicles by 2050.</li> </ul>	Long Term	<ul style="list-style-type: none"> <li>• Our efforts to increase uptake have driven continued portfolio growth, with green vehicle loans comprising 56.5% of the total vehicle loan portfolio as at 2025, an increase of 8.8% from 2024.</li> </ul>
		<p><b>SDG 7 and 12:</b></p> <ul style="list-style-type: none"> <li>• Apply sustainable design principles to branches during retrofit to lower emissions.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Punggol Coast Mall branch implemented sustainable design principles.</li> </ul>	
		<p><b>SDG 7 and 13:</b></p> <ul style="list-style-type: none"> <li>• Achieve net zero emissions for operational Scope 1 and 2 by 2050.</li> </ul>	Long Term	<ul style="list-style-type: none"> <li>• First year committing to net zero emissions for operational Scope 1 and 2 by 2050. FY2025 accounted for 858.19 tCO<sub>2</sub>e.</li> </ul>	

# SUSTAINABILITY REPORT

EESG Pillars	Material Topics	Relevant UN SDGs	Sustainability Targets	Target Date	FY2025 Performance
Social	Employee Development and Well-being	<ul style="list-style-type: none"> <li><b>SDG 3:</b> Ensure healthy lives and promote well-being for all at all ages</li> </ul> 	<ul style="list-style-type: none"> <li><b>SDG 3:</b> Implement key employee wellness and sustainability initiatives.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Active participation in "Hong Leong Olympics" event series (from 1 Mar 2025 till 19 Oct 2025). With all the efforts and support from Senior Management, HLF won the Hong Leong Olympics Challenge Shield championship.</li> </ul>
		<ul style="list-style-type: none"> <li><b>SDG 4:</b> Ensure inclusive and equitable quality education</li> </ul> 	<ul style="list-style-type: none"> <li><b>SDG 4:</b> Build a future-ready workforce through continuous skill development.</li> </ul>		<ul style="list-style-type: none"> <li>As part of annual performance appraisals, a manager's guide was introduced to enable structured career development discussions. The approach combines the GROW Coaching Model and SMART Goal Setting.</li> <li>Empowers managers to drive meaningful conversations, align individual growth with business priorities, and foster continuous skills development for a future-ready workforce.</li> </ul>
		<ul style="list-style-type: none"> <li><b>SDG 5:</b> Achieve gender equality and empower all women and girls</li> </ul> 	<ul style="list-style-type: none"> <li><b>SDG 5:</b> Commit to maintain at least 30% female leadership positions.</li> </ul>		<ul style="list-style-type: none"> <li>To empower our staff and align professional growth with business objectives, we have developed a comprehensive Learning Calendar featuring curated learning interventions. This initiative encourages employees to proactively engage in developmental conversations with their managers, ensuring that learning priorities support both individual career aspirations and organisational goals.</li> <li>33% females in the management team.</li> </ul>
Governance	Supporting Communities	<ul style="list-style-type: none"> <li><b>SDG 11:</b> Make cities inclusive, safe, resilient and sustainable</li> </ul> 	<ul style="list-style-type: none"> <li>Collaboration with organisations on Corporate Social Responsibility (CSR) initiatives to organise at least 2 CSR events annually.</li> </ul>	Annual	<ul style="list-style-type: none"> <li>Total of 4 CSR events participated by HLF staff.</li> </ul>
	Regulatory Compliance and Ethical Conduct	<ul style="list-style-type: none"> <li><b>SDG 8:</b> Promote inclusive and sustainable economic growth, employment and decent work for all.</li> </ul> 	<ul style="list-style-type: none"> <li>Maintain 100% adherence to the following training annually:                             <ol style="list-style-type: none"> <li>AML/CFT</li> <li>Anti-Fraud and Scam</li> <li>Anti-Corruption</li> </ol> </li> </ul>	Annual	<ul style="list-style-type: none"> <li>Maintained 100% completion rate.</li> </ul>
Customer Trust and Responsible Data Management		<ul style="list-style-type: none"> <li>Maintain 100% completion rate on annual mandatory refresher data management training for all.</li> </ul>	<ul style="list-style-type: none"> <li>Maintained 100% completion rate of mandatory data management training.</li> </ul>		

## ECONOMIC

### ECONOMIC CONTRIBUTION AND INNOVATION (Customer-centric)

#### Why is it Material?

HLF is committed to building a sustainable business that creates long-term value for all stakeholders. Our financial growth and ability to deliver shareholder returns are closely tied to the success of our customers, employees, business partners, and the communities we serve.

We place our customers at the heart of our operations, continuously improving our products and services to meet their evolving needs. With technology and data-driven insights, we aim to enhance customer experiences, deepen engagement, and foster lasting loyalty. Our focus on resource efficiency complements these efforts by lowering operational costs and reducing environmental impact, ensuring our business remains both resilient and sustainable.

#### Our Direct Economic Impact

In 2025, we generated total income (before operating expenses) of S\$183.4 million, of which S\$81.9 million were distributed in employee compensation and benefits for 636 employees. Income tax accrued was S\$12.8 million, and dividends of S\$57.2 million were distributed to shareholders.

We aim to continue achieving sustainable growth, of which the returns are distributed to our stakeholders through employee compensation, taxes to the government and dividends to our shareholders.

#### Our Indirect Economic Impact

Digitalisation plays a critical role in shaping a sustainable business model. It enables smooth, personalised engagement with customers, helping to build enduring relationships. At HLF, we place emphasis on understanding and responding to our customers' financial needs, delivering tailored and dependable solutions. This approach reinforces our commitment to customer-centricity, strengthens trust, and lays the groundwork for long-term success.

### KEY INITIATIVES

#### DIGITAL TRANSFORMATION 2025



**Launched Online Account Opening**  
Rolled out paperless account opening experience at suitable customer touchpoints.



**Enhanced HLF Digital App**  
Following the 2024 launch to existing customers, the next phase was rolled out in August 2025 to extend to new customers.



**40% Growth in PayNow Transaction**  
PayNow usage grew year-on-year as more customers increasingly shift to digital payments.

#### UPCOMING INITIATIVES



**Implementing Real-Time Fraud Monitoring**  
IT enhancements are currently in progress to support the integration of relevant systems for outgoing online transactions, targeted for completion in 2026.



**Implementing FAST Payment Capability**  
Developing FAST transfer capability in HLF Digital App and Internet Banking for real-time fund transfers, improving speed and convenience for customers.



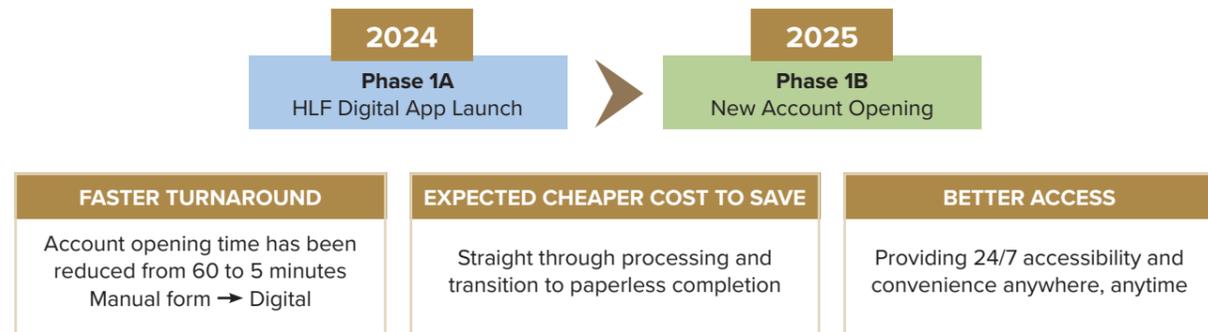
**Digitalise SME Loan Origination**  
Final phase of implementing a paperless SME loan process with digital signatures, enabling end-to-end online applications for faster turnaround.



**Onboarding to the MAS Electronic Payment System (MEPS+)**  
Preparing to onboard as a MEPS+ member, enabling secure, high-value interbank transactions and strengthening payment infrastructure.

# SUSTAINABILITY REPORT

## HLF DIGITAL APP SURPASSED 11,000 SIGN-UPS IN 2025



In 2025, HLF reached a key milestone by extending digital sign-up access to new and existing customers, achieving more than 11,000 sign-ups and bringing the cumulative total to over 18,000 since 2024. A significant proportion of these sign-ups were from mature and senior customer segments, reflecting our loyal customer base. This underscores the importance of ensuring that our digital channels are accessible and inclusive for older customers. Through user-friendly platforms, targeted guidance and ongoing customer support, we aim to enable seniors to adopt digital banking securely. These efforts support our broader EESG commitments by promoting digital inclusion, reducing barriers to access for less digitally enabled groups, and delivering positive social impact to promote customer accessibility and inclusive growth.

For someone like me who is not very tech-savvy, I was pleasantly surprised that I could easily learn to use the HLF Digital app. The app has brought so much convenience as I can easily access a range of services from the comfort of my home, and I still have the option of visiting the branch when I want to.

*Mr S. Yew  
a user of HLF Digital app*

## ENVIRONMENTAL

### RESPONSIBLE AND SUSTAINABLE FINANCE (climate-centric)

#### Why is it Material?

Responsible and sustainable finance involves providing financial products and services while adhering to ethical, social and governance principles, and integrating ESG considerations into financial decision-making. It plays a vital role in ensuring that capital is directed towards initiatives that promote positive change, drive economic growth and support long-term sustainable development, such as financing green infrastructure and green vehicles. Increasingly, stakeholders including investors, regulators and customers expect greater transparency and accountability in how financial institutions manage their ESG impacts. By expanding its portfolio of green loans to support SMEs in Singapore's sustainability journey, HLF contributes positively to the environment and the community, while balancing profitability with ethical and sustainable stewardship of resources and compliance with evolving regulations.

#### Responsible Lending Practices

The responsible finance function operates within and supports the company's overarching EnRM Guidelines that have been rolled out. We continue to identify and closely monitor borrowers operating in high ESG risk industries as defined by the Association of Banks in Singapore. The limit for exposure to high ESG risk industries has been actively monitored, and it is within limits in 2025.

For customers in high ESG risk and high carbon-emitting (HCE) industries, we continued our touchpoints with these borrowers through the implementation of an Environmental Risk Questionnaire. With contents adapted from the Association of Banks Singapore, borrowers responded to questions on physical and transition risks related to climate change.

#### Green Financing

Sustainable finance presents a strategic business opportunity for HLF. By integrating sustainable finance practices, we can tap a burgeoning market that not only drives business growth but also contributes to environmental and social well-being. This approach aligns with the evolving values of the market and expectations of our stakeholders, demonstrating our commitment to responsible and ethical business practices.

As consumers and investors increasingly prioritise sustainability, green financing plays a pivotal role in supporting consumers and SMEs as they transition to greener practices. The focus on both profitability and positive impact underscores our dedication to fostering long-term value for both our business and the broader community.

#### Key Initiatives

HLF's Green Project Finance Team ("GPFT") is tasked with the responsibility to review HLF's SME Green Finance Framework ("Framework") yearly to ensure the relevance of the Framework. The Framework has been developed in

accordance with Green Loan Principles ("GLP") issued by the Loan Market Association ("LMA") based on the following four core components:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

The Framework governs green loans products, in whole or in part, for new and/or existing eligible Green Projects. There are four categories of Green Projects under the scope of the Framework, namely:

Project Category	UN SDGs
Green buildings	3 GOOD HEALTH AND WELL-BEING, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 13 CLIMATE ACTION
Clean transportation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES
Energy efficiency (in progress)	7 AFFORDABLE AND CLEAN ENERGY
Eco-efficient and/or circular economy adapted products, production technologies and processes (to roll out in FY2026)	11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In 2025, HLF continued to strengthen its overall green financing portfolio across both green building and green vehicle loans. A total of 12 green building loans amounting to over S\$1 billion were extended in 2025, representing an 8.1% increase in overall green building loans from 2024 and underscoring our commitment to supporting sustainable infrastructure. At the same time, we saw consistent growth in loans to green vehicles, comprising electric and hybrid vehicles, in line with the government's green initiatives.

Building on this momentum, we will be introducing the Equipment Loan Package for the waste and recycling sector in FY2026, our first initiative under the "Eco-efficient and/or circular economy adapted products, production technologies and processes" project category. To reinforce governance and ensure alignment with sustainability objectives, we have embedded the green project categories into the Compliance Checklist, which was rolled out in November 2025. Together, these measures complement our progress in green building and green vehicle financing, strengthening HLF's role in advancing eco-efficient practices and supporting the transition towards a circular economy.

**14,318.92 tCO<sub>2</sub>e\***  
Estimated Carbon Emissions Avoided through the Financing of Green Vehicles

Equivalent to carbon sequestered by:  
**236,765**  
Tree seedlings grown for 10 years

\*Carbon emissions avoidance figure is computed based on latest emission factors published by Land Transport Authority (LTA) and UK Department for Environment, Food and Rural Affairs (Defra) in 2025. Estimated vehicle mileage retrieved from LTA Average Annual Kilometres Travelled Per Vehicle (data.gov.sg). Carbon sequestered conversion is computed from EPA Greenhouse Gas Equivalencies Calculator.



# SUSTAINABILITY REPORT

In 2025, we have helped avoid an estimated 14,318.92 tCO<sub>2</sub>e in carbon emissions, through financing of electric and hybrid vehicles. This impact is equivalent to the carbon sequestered by approximately 236,765 tree seedlings grown for 10 years, demonstrating the tangible environmental benefits of supporting low-emission and sustainable mobility solutions. By the end of 2025, electric and hybrid vehicle loans accounted for 56.5% of our total vehicle loan portfolio, an increase of 8.8% from 2024. These results reflect our sustained efforts to financing green vehicles and contribute meaningfully to the transition towards a low-carbon economy.

Hong Leong Finance has truly set itself apart in the competitive automobile financing space, driving innovation in this category ... Its leadership in electric vehicle financing is particularly notable and strongly supports Singapore's sustainability goals of achieving 100% cleaner energy vehicles by 2040.

*Mr Foo Boon Ping  
President of The Asian Banker*

## ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RISK MANAGEMENT

(climate-centric)

### Why is it Material?

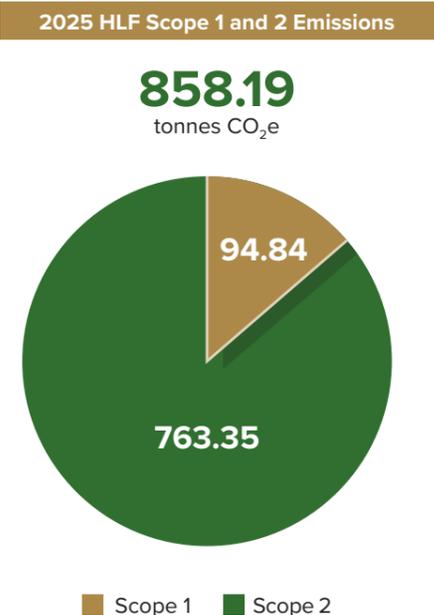
Environmental sustainability is an essential component of long-term business resilience. As global challenges such as climate change and resource depletion become more urgent, businesses face increased exposure to environmental and climate-related risks that can impact operating costs, asset efficiency and corporate reputation.

Effective management of energy consumption, waste generation and carbon emissions supports business continuity and helps HLF meet evolving regulatory requirements and stakeholder expectations, including those of customers, investors and regulators. In addition, identifying, assessing and managing climate-related risks in alignment with ISSB IFRS S2 strengthens risk governance and enhances HLF's ability to respond to transition and physical climate risks over the long term.

### Measuring our Carbon Footprint

At HLF, we remain committed to understanding and actively managing our environmental footprint. Building on our sustainability initiatives, we will continue to measure and report our carbon emissions in accordance with the internationally recognised Greenhouse Gas (GHG) Protocols, covering both Scope 1 and Scope 2 categories.

### Environmental Performance for 2025



Scope	Emission Source Category	FY2025 Emissions (tCO <sub>2</sub> e)	FY2024 Emissions (tCO <sub>2</sub> e)	FY2025 Emissions (tCO <sub>2</sub> e)
Scope 1 emissions <sup>1</sup>	Direct emissions from stationary sources	Refrigerants	16.67	94.84
Scope 2 emissions <sup>2</sup>	Purchased electricity, heat, steam or cooling	Electricity	844.14	763.35
<b>Total Emissions</b>			<b>860.81</b>	<b>858.19</b>

1. Scope 1 emissions figures are computed based on the latest conversion factors published by UK Department for Environment, Food and Rural Affairs (Defra) in 2024 and 2025.  
2. Scope 2 emission figures are computed based on the latest conversion factors published by the Energy Market Authority.

Total greenhouse gas emissions reduced slightly from 860.81 tCO<sub>2</sub>e in FY2024 (baseline year) to 858.19 tCO<sub>2</sub>e in FY2025, driven by reduced electricity consumption and lower Scope 2 emissions. While Scope 1 emissions increased during the year, this was largely due to refrigerant leaks from a small number of air-conditioning systems and one-off refrigerant top-ups associated with equipment replacement. These maintenance-related activities have since been addressed, and the upgraded systems are expected to improve operational efficiency and reduce future refrigerant losses.

### Key Initiatives

#### Sustainable Design and Energy Management

At HLF, we remain committed to reducing energy consumption as part of our broader sustainability strategy. To support this goal, we seek to promote energy-efficient practices among employees while implementing sustainable upgrades to our infrastructure and facilities where feasible. Our objective is to minimise energy usage across operations and support the reduction of our operational carbon footprint.



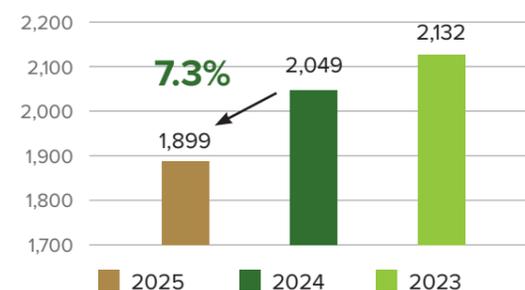
We celebrated the opening of our Punggol Coast Mall branch — a space that combines sustainability with innovation. The branch features an interactive LED art wall at the entrance, showcasing digital art to create a captivating and engaging experience for customers.

The branch was awarded the BCA Green Mark Platinum certification, the highest distinction under Singapore's national green building rating system. This accolade underscores our steadfast commitment to sustainability and reflects the branch's exemplary performance in energy efficiency, resource management, and sustainable design.

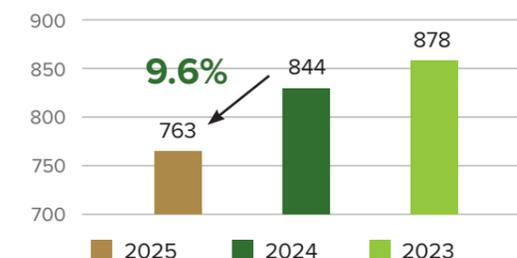
HLF has also participated in the Go 25 movement. Launched in May, the movement encourages organisations to set indoor air-conditioning temperatures at 25°C or higher, a simple yet progressive step toward lowering energy use and mitigating climate change.

In line with this commitment, six of HLF's branches, including our main branch at Hong Leong Building, have pledged to maintain air conditioning temperatures at 25°C or higher. Some of our other branches, particularly those in malls, as well as our office spaces, are managed by external landlords, which limits our ability to adjust temperature settings. Despite these constraints, we remain committed to supporting national sustainability efforts and promoting responsible energy use across our operations. Implementation will be extended to all branches and offices wherever feasible.

### Energy Consumption (MWh)



### Scope 2: Purchased Electricity (tCO<sub>2</sub>e)



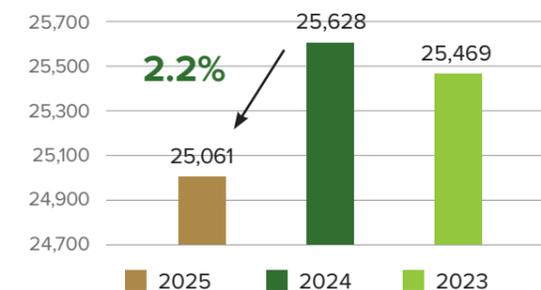
\*Scope 2 emissions figures are computed based on the conversion factors published by the Energy Market Authority (Electricity Grid Emission Factor updated in 2023 and 2024). Percentage savings in emissions may differ from consumption data due to the difference in emission factors applied year-on-year.

Due to our overall energy saving initiatives across the organisation, we have managed to reduce 7.3% in energy consumption and 9.6% in Scope 2 GHG emissions in 2025 compared to 2024.

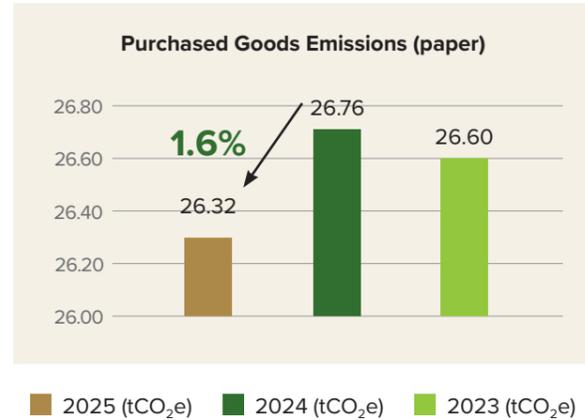
Looking ahead, we will continue to invest in energy efficient air conditioning equipment and technologies to improve our overall energy efficiency. We will continue to upgrade the branches to energy-efficient LED lighting and to promote responsible energy use across our operations.

### Resource Management

#### Paper Consumption (kg)



# SUSTAINABILITY REPORT



\*Purchased goods emissions figures are computed based on the latest conversion factors published by UK Department for Environment, Food and Rural Affairs (Defra) in 2024 and 2025. Percentage savings in emissions may differ from consumption data due to the difference in emission factors applied year-on-year.

In 2025, HLF continued its efforts to reduce A4 and computer paper usage, achieving a 2.2% reduction in overall paper consumption compared to 2024, and a 1.6% reduction in emissions. To further strengthen our paper-reduction initiatives, we continuously review paper usage originating from the IT function across our locations, including phasing out personal printers and encouraging the use of shared all-in-one devices. These measures are expected to deliver both paper and energy savings, while supporting our broader digitalisation and environmental sustainability objectives.

### Waste Management

#### Electronic Waste (e-waste) Recycling

HLF engages in e-waste recycling efforts periodically to reduce carbon emissions. In 2025, we recycled 1,625kg of e-waste, and avoided approximately 2.16 tonnes of CO<sub>2</sub> emissions compared to producing raw materials. This resulted in a negative carbon impact, which accounted for emissions generated during the recycling process and emissions avoided from decreased raw material production.

#### Paper Waste

The total paper waste collected from our corporate offices amounted to approximately 0.27 tonnes of CO<sub>2</sub>e emissions. This waste is securely disposed to ensure the confidentiality of sensitive documents.

To minimise paper waste, HLF continues to enhance our digitalisation initiatives to transition towards a paperless environment. By leveraging technologies and streamlining processes, we aim to reduce our reliance on physical documents, promote operational efficiency, and contribute to a more sustainable future. These efforts not only align with our commitment to environmental responsibility but also improve convenience and accessibility for our customers and stakeholders.

### Hong Leong Finance "Spring Cleans" East Coast Park



In January 2025, we launched our first initiative of the year with a beach clean-up at East Coast Park. Fourteen staff volunteers came together ahead of the Lunar New Year to remove approximately 30 kilograms of non-biodegradable waste. This effort not only helped protect marine life and preserve Singapore's coastal ecosystem but also reinforced our commitment to sustainability and environmental responsibility. The activity fostered team spirit and reminded us of the collective impact we can make in safeguarding our natural surroundings.

[The beach clean-up] was a rewarding experience for me. I felt happy and moved to see everyone come together to do our part for our environment. Seeing our efforts was truly fulfilling and satisfying. I felt a real sense of purpose and pride knowing we made a difference in our little ways.

*Mr Steve Tan  
an employee of HLF*

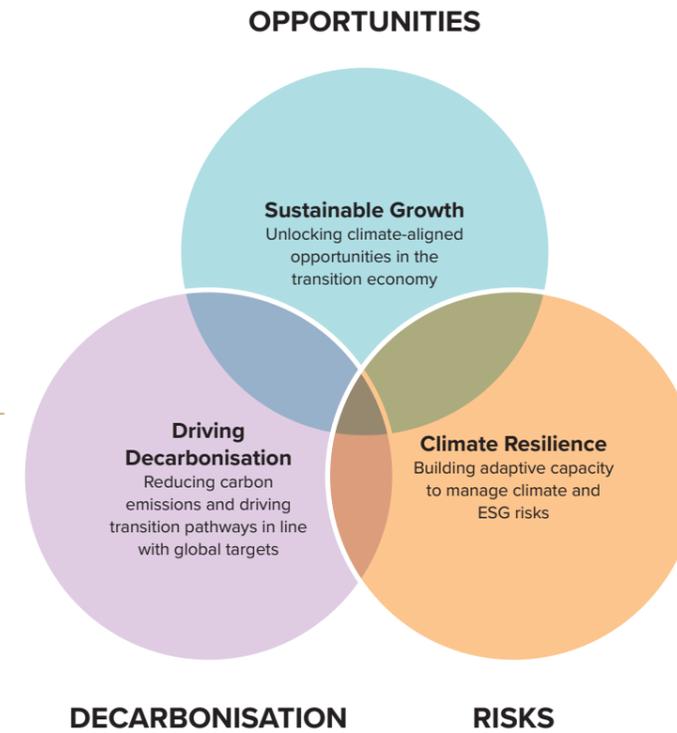
### Elevating our Climate Commitment and Disclosures

In this financial year, HLF sharpened its focus on achieving net zero emissions for operational Scope 1 and 2 by 2050, aligning our climate strategy with Singapore's national targets and the global ambition set out in the Paris Agreement.

To meet our net zero target, we have developed a comprehensive climate strategy that integrates Sustainable Growth, Driving Decarbonisation, and Climate Resilience as its three pillars. Our climate strategy will be progressive, evolving over time to incorporate emerging best practices and new opportunities, while our first operational net zero target provides a clear direction to drive decarbonisation across our operations.

### Climate Strategy

- **Capture transition opportunities:** Expand green financing through new sources and partnerships
- **Support SMEs:** Provide tools, advisory and financing to help them meet ESG disclosure requirements
- Committed to **Net Zero for operational Scope 1 and 2 emissions by 2050** aligned to the Singapore Green Plan
- Drive **carbon reduction initiatives** across business operations



- **Enhance value creation:** Align climate strategy with long-term business growth and returns
- **Build adaptive capacity:** Ensure business continuity planning to address extreme weather and regulatory shifts
- **Climate scenario analysis:** Apply NGFS/ISSB aligned climate scenarios to assess portfolio risks
- **Integrate climate risks:** Incorporate climate risk considerations into credit

**Driving Decarbonisation** focuses on reducing operational carbon emissions and enabling transition pathways in line with global targets. Key initiatives include our commitment to net zero operational Scope 1 and 2 emissions by 2050, aligned with the Singapore Green Plan, and implementing carbon reduction measures across our operations.

**Sustainable Growth** targets climate-aligned opportunities in the transition economy. This includes expanding green financing through new sources and partnerships, and supporting SMEs with tools, advisory, and financing solutions, including green loans to help them meet ESG disclosure requirements.

**Climate Resilience** strengthens our adaptive capacity to manage climate and ESG risks. Initiatives include integrating climate considerations into credit assessments, applying NGFS/ISSB-aligned climate scenarios to assess portfolio risks, and ensuring business continuity planning to respond to extreme weather and regulatory shifts.

Through this integrated long-term approach, we aim to align our climate strategy with long-term business growth, create enduring stakeholder value, and actively contribute to the low-carbon transition while managing the risks and opportunities presented by a changing climate.

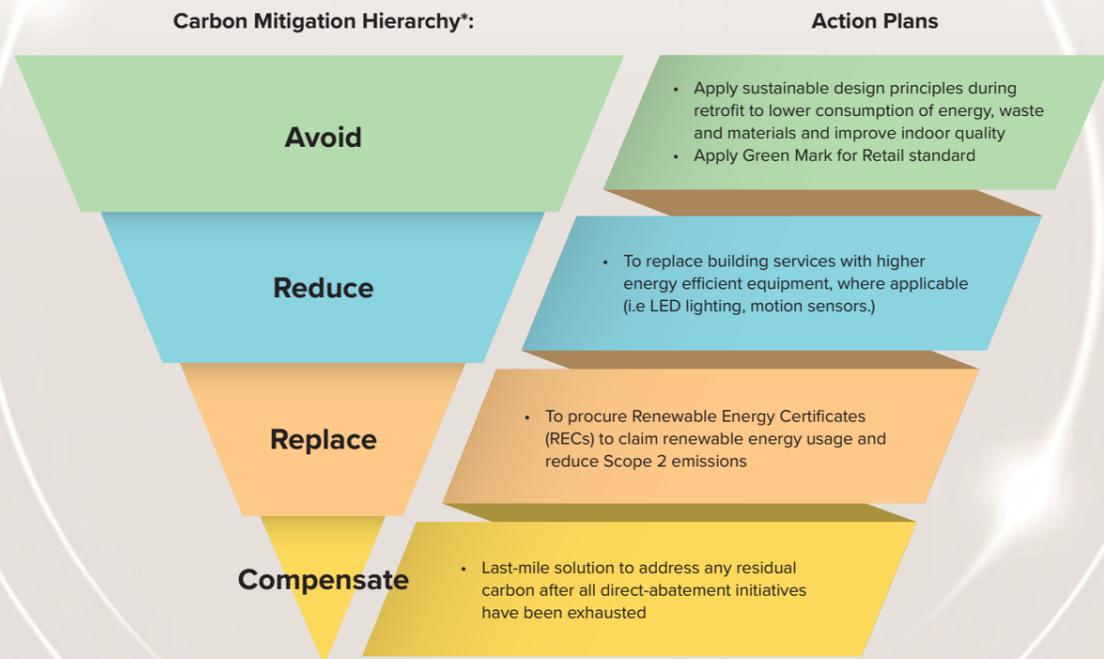


# SUSTAINABILITY REPORT

As part of the Driving Decarbonisation pillar, we follow the Carbon Mitigation Hierarchy recommended by the Institute of Environmental Management and Assessment (IEMA), prioritising actions to avoid, reduce, and substitute carbon-intensive activities before considering offsets. We have set a long-term goal to achieve net zero operational Scope 1 and 2 emissions by 2050.

By 2050:

**Achieving Net Zero and Sustainable Growth**  
Achieve net zero operational Scope 1 and 2 emissions by 2050, in alignment with Singapore's net zero target



\*Recommended framework by IEMA (Institute of Environment Management and Assessment)

Building on this foundation, we recognise the critical role financial institutions play in enabling a low-carbon transition. To effectively manage climate-related risks and opportunities, we are strengthening our disclosures in the globally recognised Task Force on Climate-related Financial Disclosures (TCFD) while progressively aligning with the International Sustainability Standards Board's (ISSB) S2 Climate-related Disclosures Standard. This approach enhances the transparency, consistency, and comparability of our reporting, and reflects our commitment to international practices.

**Strategy Alignment: Climate-related Risks and Opportunities**

This topic covers our approach to managing climate-related risks, while capturing emerging opportunities from the transition to a low-carbon and climate-resilient economy.

**Governance at HLF: Oversight and Disclosure**

Refer to Sustainability Governance for more information.

**Strategy Alignment: Assessing Climate Risk Impacts Climate Scenario Analysis**

For financial year 2025, we partnered with an external consultant to conduct climate scenario analysis and climate risk stress test, taking reference from relevant industry guidance and standards, including the IFRS S2 Climate-related disclosures standard issued by the International Sustainability Standards Board (ISSB) and the Guidelines on Environmental Risk Management (EnRM) issued by the Monetary Authority of Singapore (MAS). The climate scenario analysis and climate risk stress test is initiated as a forward-looking assessment to understand how climate-related vulnerabilities such as physical risks from extreme weather events and transition risks from policy and technological shifts could affect the property and vehicle loans across various time horizons. This ongoing monitoring strengthens our understanding of evolving exposures and enables the identification of strategic opportunities to manage and mitigate climate-related risks.

To assess our climate risk exposure, we selected two Network for Greening the Financial System (NGFS) reference scenarios:

**Baseline year: 2025**

Time horizons considered: 2040 (medium-term), 2050 (long-term)

	DELAYED TRANSITION (DISORDERLY TRANSITION SCENARIO)	NATIONALLY DETERMINED CONTRIBUTIONS (HOT HOUSE WORLD SCENARIO)
Scenario Overview	Assumes global emissions do not decrease until 2030, leading to sudden and harsh climate policies to catch up. This stresses transition risks from sudden policy changes / action.	Assumes countries follow their currently pledged policies but are insufficient to keep global warming below 1.5°C. Global warming is expected to range between 2°C to 3°C, stressing physical risks such as heat waves, floods and rising sea levels.
Technology Change	Slow first, then rapid change after 2030.	Gradual, slow change.
Risk Focus	Transition risks	Physical risks

Through this exercise, we quantified the potential financial impacts from physical and transition risks under the above scenarios. Whilst the results are not an exact forecast or prediction of future conditions or financial outcomes due to the inherent limitations of the analysis and the assumptions applied, they have provided insights into the resilience of the Company's current portfolio and the identification of potential opportunities and are a useful tool to guide our decision-making and inform mitigation strategies.

IMPACTS FROM RISK	
<b>Physical Risks</b>	
<b>Acute Risk</b> 	<p>In Singapore, flooding risk is projected to rise under future climate scenarios. According to the Third National Climate Change Study (V3), extreme daily rainfall could intensify by 6 percent to 92 percent in April and May by the end of the century, significantly heightening flood-related exposures. Physical risks such as extreme rainfall and flooding are relevant in Singapore and may intensify under future climate scenarios. Such events may affect both customer assets and operational continuity over the short to long term.</p> <p>Severe weather events, particularly flooding, may result in physical damage to vehicles and properties which could affect insurance claims and affordability. Physical damage from such events may necessitate more frequent repairs and maintenance, further increasing ownership costs. These compounding pressures may have implication on asset valuation over time.</p> <p>While Hong Leong Finance's premises are not located exclusively in areas identified as flood-prone*, intense rainfall can result in localised flash flooding across the island, particularly where drainage systems are temporarily overwhelmed. As such, extreme rainfall events may affect different locations unevenly, depending on local topography, drainage capacity and surrounding infrastructure. Flooding may disrupt branch operations, damage equipment and IT infrastructure, resulting in downtime, increasing repair costs and posing health and safety risks to employees and customers during severe weather events.</p> <p>*Flood-prone areas are referenced from Public Utilities Board (PUB) of Singapore's "List of Flood Prone Areas in Singapore" accurate as of 2 April 2025.</p>
<b>Chronic Risk</b> 	<p>Chronic physical risks, including rising sea level and ambient temperatures, are relevant in Singapore and may intensify over the medium to long term under future climate scenarios.</p> <p>In Singapore, sea level rise is expected to accelerate, with projections from National Environment Agency (NEA)'s National Climate Change Study (V3) indicating an increase of 0.23 to 1.15 metres by 2100. The heightened risk of sea level rise and increased likelihood of coastal flooding may lead to damage of vehicles and properties. According to the NEA, affected areas include West Tuas, West Coast, Sembawang, and Tanjong Pagar.</p> <p>Rising sea levels may affect physical assets and infrastructure located in low-lying coastal areas which may be more prone to coastal flooding over time. Such conditions could result in damage to vehicles and properties, leading to higher maintenance and repair costs for such assets and may affect asset valuation.</p>

# SUSTAINABILITY REPORT

IMPACTS FROM RISK	
<b>Physical Risks</b>	
<p><b>Chronic Risk</b></p> 	<p>In Singapore, warming has been evident over the past 40 years, with mean temperatures increasing at a rate of 0.24°C per decade. Days are becoming hotter, nights are increasingly warmer, and the coolest month today is warmer than the warmest month recorded in the 1960s, highlighting a clear upward trend in ambient heat exposure.</p> <p>Rising mean temperatures could lead to increased operational costs and potential damage to physical assets, particularly vehicles and buildings. This may cause higher wear and tear thus requiring more frequent maintenance or result in higher cooling equipment requirements which may place additional financial pressure on customers.</p> <p>Increasing temperatures may also result in higher operational costs for Hong Leong Finance, as the Company's offices and branch premises may require more intensive cooling to maintain safe and comfortable working conditions for employees and customers. This may drive higher electricity consumption or expenses to upgrade or replace cooling systems. Prolonged heat exposure may also affect workplace productivity and employee well-being, potentially resulting in higher absenteeism and additional health and safety management requirements.</p>
<b>Transition Risks</b>	
<p><b>Policy/Legal Risk</b></p> 	<p>Policy and legal transition risks are relevant in Singapore as climate-related regulations, carbon taxes and sustainability expectations continue to evolve. In particular, the projected increase in carbon taxes may increase operating costs for carbon-intensive activities over time.</p> <p>For vehicles, higher carbon pricing typically raises fuel costs for fossil fuel-powered transport, increasing expenses for customers. Internal combustion engine vehicles may also face resale challenges due to evolving emissions-related regulations, which could affect vehicle valuation.</p> <p>For properties, higher carbon pricing can drive up electricity costs, especially for buildings reliant on fossil fuel-based energy. This raises operating expenses for owners and tenants, particularly in cooling and general electricity use. Properties may also need to meet stricter energy efficiency standards, and those that fall short may face higher maintenance costs and reduced market appeal and may affect valuation.</p> <p>In Singapore, there is a growing shift in consumer demand towards electric vehicles (EVs), this trend is driven by evolving consumer expectations and supportive policy measures, including Singapore's commitment to phase out internal combustion engine (ICE) vehicles by 2040. Portfolio with exposure to ICE vehicles or related businesses may face valuation risk.</p> <p>Similar shifts are occurring in the residential property market. Homebuyers in Singapore are increasingly prioritising sustainable building features such as energy-efficient appliances, smart home systems, access to public transport, and green spaces. New condominium developments now commonly offer eco-friendly amenities, landscape gardens, and water management systems. Homes without green features may face slower resale or lower valuation as buyers gravitate toward sustainable living.</p> <p>The increasing scope and complexity of sustainability-related regulations and reporting standards, including climate-related disclosure requirements, may lead to higher operational and compliance costs for Hong Leong Finance. Enhanced regulatory expectations may require additional investment in data collection systems, internal controls, governance processes, external assurance, and specialist resources, as well as ongoing staff training to ensure consistency and accuracy of disclosures.</p>

IMPACTS FROM RISK	
<b>Transition Risks</b>	
<p><b>Reputation Risk</b></p> 	<p>We may face reputational risks arising from shifting consumer and corporate preferences towards more sustainable and environmentally friendly products. As individuals and businesses increasingly prioritise sustainability, they may adjust their purchasing habits, investments, operating budgets and business relationships to align with environmental goals. This transition is driven by evolving expectations, regulatory pressures, and emissions targets.</p>
<p><b>Market Risk</b></p> 	<p>Market risk may arise from changes in customer behaviour and demand patterns. In the transport sector, consumers are increasingly focused on the total cost of ownership, including electricity, maintenance, and related expenses. At the same time, there is a growing trend toward shared mobility, public transport, and other vehicle services, which may reduce the overall demand for personal vehicle ownership.</p> <p>Similarly, in the property sector, behavioural changes are evident in greater consciousness around energy consumption and its associated costs, as well as in the need to comply with landlord requirements. These evolving behaviours reinforce the broader transition toward sustainability and have implications for both borrower demand and the valuation of financed assets.</p>
<p><b>Technology Risk</b></p> 	<p>The shift to lower-emission products means customers may face higher costs when substituting their vehicles or retrofitting properties to meet sustainability standards. For vehicles, customers may incur significant expenses in transitioning to greener alternatives, while existing vehicles could experience a decline in valuation. In the property sector, although substitution of owned offices or buildings is typically a long-term decision, retrofitting may be necessary to comply with energy efficiency requirements. New or resale properties that are not perceived as green may also see depreciation in value.</p> <p>Transitioning to lower-emission technologies, such as electric vehicles (EVs) and energy-efficient commercial properties requires significant capital investment by customers, often in the form of replacement or retrofit costs. Adoption is also dependent on availability and readiness of infrastructure and supporting services. For example, the widespread adoption of EVs necessitates supporting infrastructure such as charging stations, as well as a shift in repair and maintenance services.</p> <p>Similarly, the move toward green buildings involves upgrading existing environments and acquiring new technologies to meet energy efficiency standards. These transitions may strain customer resources due to high upfront costs associated with sustainable technologies. Properties that fail to meet energy efficiency requirements could affect collateral values.</p>

## Climate-Related Opportunities and Impacts

### Green Opportunities in the Commercial Segment

Climate transition trends and evolving sustainability expectations present opportunities for Hong Leong Finance Limited ("HLF") to expand and enhance its sustainable financing offerings within the commercial segment. In addition to the categories currently established under the Small and Medium Enterprises ("SMEs") Green Finance Framework, HLF may explore more complementary green products categories to support SME decarbonisation and sustainability improvements.

With the climate-related opportunities identified, HLF plans to expand on its SME Green Finance Framework and is looking to introduce the new category of "Eco-efficient and/or circular economy adapted products, production technologies and processes" to our customers in FY2026.

### Risk Management

Climate-related risks are integrated into HLF's risk management processes, encompassing identification, assessment, monitoring, and reporting. In line with the MAS EnRM Guidelines, these processes are embedded across the three lines of defence and proportionate to our business model and risk profile.

The revision of HLF internal EnRM Guidelines has raised internal awareness and operationalised controls to manage

environmental risks. In the first line of defence, relationship managers identify climate-related risks at the borrower level, including exposure to high-risk sectors and vulnerability to physical or transition risks. The second line, comprising the Credit Control Department and Risk Management Department, monitors unmitigated ESG issues and reviews climate-related risks at the portfolio level, including concentration exposures and stress testing outcomes.

To mitigate credit risk associated with climate and broader ESG issues, we apply our Group Responsible Financing Policy, which outlines procedures for risk identification, assessment, mitigation, and ongoing monitoring.

Additionally, we have developed climate stress testing methodologies leveraging the climate scenario analysis conducted. These tools help us evaluate potential impacts on our credit portfolio under stressed climate scenarios and inform our mitigation strategies accordingly.

### Metrics and Targets

In 2025, we expanded the scope of our climate-related disclosures to four categories, following an assessment of material risks and opportunities. These categories include greenhouse gas (GHG) emissions, transition risks, physical risks, and climate-related opportunities.

# SUSTAINABILITY REPORT

HLF has formalised our net zero target for operational Scope 1 and 2 emissions, reinforcing our alignment with national and global climate objectives. This disclosure supports Singapore's national target of Net Zero by 2050 which forms part of the country's long-term climate strategy under the Singapore Green Plan 2030, and contributes to global goals of the Paris Agreement. Our carbon mitigation hierarchy and action plans are clearly defined, with carbon credits reserved as a last-mile solution after all feasible abatement measures have been implemented, ensuring transparent and accountable progress.

In defining our emissions reporting scope, HLF adopted the operational control approach, consistent with the GHG Protocol Accounting and Reporting Standard. Under this approach, HLF accounts for all emissions from operations where we have authority to introduce and implement operating policies. The operational control approach has been selected over the equity share approach as it provides a clearer representation of emissions that HLF can directly influence and manage through its operational and risk management controls. This approach also ensures consistency with our internal governance structures, management accountability, and regulatory reporting obligations, particularly within the context of Singapore's financial sector.

Accordingly, the reporting boundary includes all wholly owned and operationally controlled branches and facilities within Singapore. Reporting is conducted on a quarterly and annual basis, aligned to the financial year from 1 January to 31 December.

Emissions are calculated using activity data and applicable emission factors. Activity data primarily comprises electricity consumption obtained from utility invoices and internal records while emission factors are sourced from recognised national and international references. Scope 2 emissions are measured using the location-based method, applying the average emissions intensity of the Singapore electricity grid.

Scope 1: 94.84 tCO<sub>2</sub>e  
Scope 2: 763.35 tCO<sub>2</sub>e

## SOCIAL

### EMPLOYEE DEVELOPMENT AND WELL-BEING

(customer-centric)

#### Why is it Material?

Our employees are the foundation of HLF's success and long-term sustainability. Their dedication and engagement are vital to achieving our strategic goals.

By fostering a culture of continuous learning, we strengthen the alignment between our people and the organisation, building a resilient and adaptable workforce. This culture supports ongoing personal and professional development, empowering employees to grow alongside the business.

We remain committed to enhancing our workforce through targeted upskilling and reskilling programmes, while continuously improving the employee experience across the organisation.

#### Our Culture

Our corporate culture is rooted in shared values and ethical standards, as outlined in our Corporate Culture & Conduct Policy. We recognise that our success depends on our people and strive to earn the trust and loyalty of employees, customers, shareholders, and communities. Culture is a key driver of conduct, and cultivating a resilient, well-supported workforce is essential to both individual fulfilment and organisational performance. We promote a positive and inclusive environment that values integrity, teamwork, operational excellence, and sound risk management.

#### Fair Labour and Equitable Work Practices

All employees are expected to uphold the Company's Code of Conduct Policy, with Senior Managers and Material Risk Personnel held accountable under the Individual Accountability & Conduct Policy.

We maintain a zero-tolerance stance toward discrimination, bullying, or harassment based on race, gender, religion, nationality, age, disability, sexual orientation, or socioeconomic status. Our Disciplinary Policy ensures that any violations are addressed appropriately.

We are committed to a merit-based, safe, and supportive workplace. We adhere to the Tripartite Guidelines on Fair Employment Practices issued by Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), ensuring that recruitment and selection processes are fair and inclusive, regardless of age, race, gender, religion, marital status, or disability.

### Diversity, Equity and Inclusiveness

At HLF, we believe that fostering a diverse and inclusive workplace is essential to supporting our employees and serving our customers effectively. A workforce that reflects the diversity of society enhances employee well-being, strengthens our ability to innovate, and helps us better understand the needs of our broad customer base, including the new generation of digital customers we aim to engage.

We are committed to creating a fair, caring, and inclusive environment where individual differences are respected and valued. Diversity is a competitive advantage that enables us to achieve our business goals, attract and retain top talent, and meet stakeholder expectations.

#### Employee Well-being

A motivated and healthy workforce is key to achieving our business objectives and sustaining long-term growth. We offer a range of initiatives to support employees' physical, mental, and emotional well-being, alongside opportunities for professional development. We foster a collaborative and inclusive environment where employees feel valued and empowered to contribute meaningfully.

Flexible work arrangements, including hybrid models and staggered schedules, help employees balance personal and professional responsibilities. These initiatives promote a culture of care, adaptability, and collaboration, enhancing productivity and reinforcing our commitment to employee engagement and well-being.

Our commitment to workplace health and safety is reinforced through a concise mandatory annual e-learning course designed to educate and empower our employees. This course covers essential safety protocols, social responsibility goals, and best practices for maintaining a safe work environment. It emphasises the importance of personal responsibility and collective vigilance in preventing accidents and ensuring the well-being of all team members. By fostering a culture of safety, we aim to protect our workforce and contribute to the overall sustainability of our organisation. This proactive approach not only enhances employee well-being but also aligns with our broader goals of operational excellence and long-term resilience.

#### Key Initiatives

##### Emerging as Overall Champion at the Hong Leong Olympics 2025

The Hong Leong Olympics 2025, organised by Hong Leong Club, highlighted HLF's commitment to employee well-being. HLF encouraged our staff to participate in the sports, and finally emerging as overall champion in the competition after nearly eight months of participation across sixteen sports. The event brought together 80 HLF staff, many of whom took part in multiple activities, fostering teamwork and engagement across the organisation.



Beyond the commemorative plaque, the Hong Leong Olympics fostered cross-departmental connections, encouraged active lifestyles, and strengthened our culture of collaboration.

##### Self-Care Workshop for All – "It Starts with Me"

HLF organised a 1.5-hour virtual self-care workshop with Lifelong Learning Singapore (LLSG) to support employees' mental and emotional well-being. The session encouraged participants to reflect on how personal perspectives influence daily experiences, focus on areas within their control, and apply self-affirmation techniques to support a positive mindset. It also covered the recognition of emotional and mental health challenges, identification of stress warning signs, and guidance on managing stress and seeking support when needed.

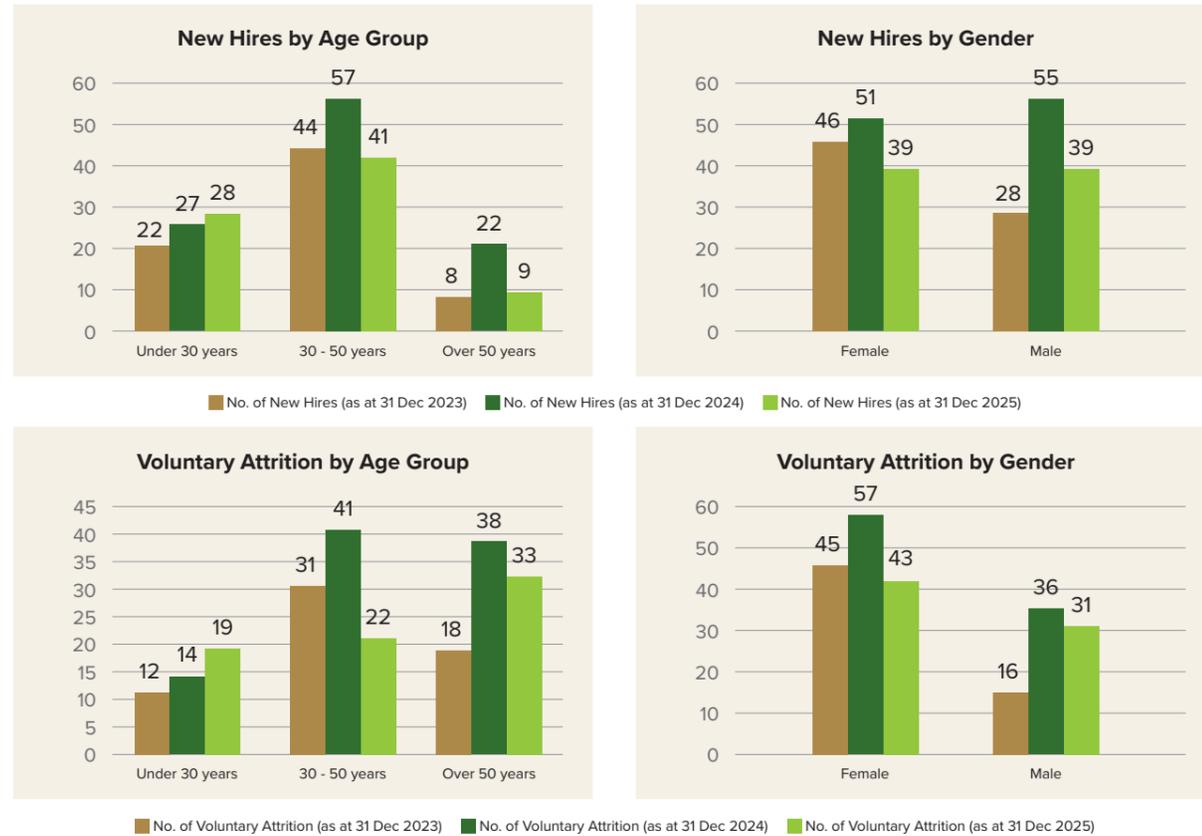
##### Maintaining a Dedicated Workforce

At HLF, we recognise that our people are our most valuable asset, and we are dedicated to cultivating a workplace that promotes professional growth, employee well-being, and overall job satisfaction. We believe that investing in our workforce is key to building a resilient and sustainable organisation. Our inclusive approach to diversity emphasises hiring, developing, and retaining top talent across all age groups, ensuring a well-balanced and dynamic team. Through comprehensive training and development programmes, we equip our employees with the skills and knowledge needed to drive our sustainability agenda forward.



# SUSTAINABILITY REPORT

## Our Employees in Numbers | Total Headcount: 636 employees



Hong Leong Finance maintained a consistent hiring trend for the past 3 years, with the 30 to 50 age group forming the largest share of new hires each year. Recruitment among younger employees remained stable, while hiring in the over-50 category peaked in 2024 before easing in 2025. Gender representation in hiring became more balanced over time, with 2024 and 2025 hires reaching equal levels.

Voluntary attrition trends were more varied. Attrition among employees under 30 increased, due to the natural attrition of temporary staff in this age range. Of the staff leaving in this age group, 52.6% (i.e. 10 out of 19 hires) are temporary hires. Departures among employees over 50 remained elevated, possibly reflecting retirement transitions.

These trends point to a resilient and evolving workforce. As HLF continues to grow, the data highlights opportunities to strengthen retention strategies, support generational transitions, and reinforce inclusive hiring practices that align with long-term sustainability goals.

### Employee Training and Development

In 2025, learning hours increased steadily across all quarters, reflecting a strong commitment to continuous development. This trend demonstrates a maturing learning culture and highlights the organisation's sustained investment in employee growth, aligning with long-term goals for inclusive and equitable development opportunities.

We continue to invest in employee development as part of our commitment to sustainable growth. Executives recorded the highest commitment with an average of 35 learning hours, reflecting the need for regulatory and risk, core, future-enabled and leadership capabilities. Non-Executives averaged 30 hours, indicating steady participation and opportunities to strengthen technical skills, while Senior Management averaged 29 hours due to reliance on external programmes.

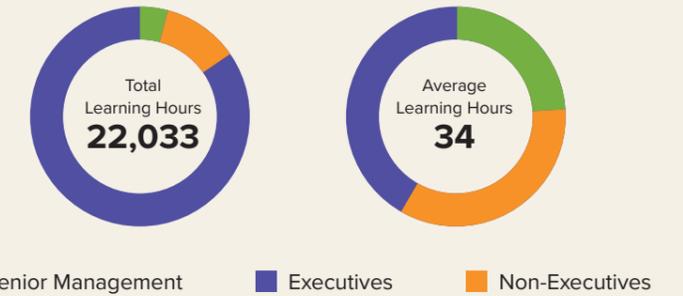
This trend is influenced by organisational priorities, course design, and digital adoption. Moving forward, we aim to improve accessibility for all employees, expand blended learning options, and align learning opportunities with career progression to foster inclusive growth.

### Learning Data

#### Average Learning Hours by Gender



#### Average Learning Hours by Employee Category



Employee development is an important part of our sustainability strategy. We believe that by investing in our people, we can create a more sustainable and resilient organisation. Our employee development initiatives help us to attract and retain top talent, build a strong corporate culture, and develop future leaders.

HLF conducts annual performance appraisals that incorporate constructive feedback and a focus on employee growth and development. HLF reviews its employee development initiatives on a regular basis and makes adjustments where appropriate to support employee needs and development, while aligning with organisational priorities.

#### Key Initiatives

In the past year, we have implemented several key initiatives to support our talent management efforts, including:

- Workshops:** A variety of workshops on topics such as communication, teamwork, and problem-solving were conducted for employees.
- Company-wide learning pathway:** We continuously review and updated our learning programme with focus on five dynamic pillars: core, future enabled, mandatory, regulatory/ risk knowledge and leadership skills.
- Mandatory refresher courses:** All employees completed mandatory refresher courses on company-wide knowledge topics, such as our code of conduct and information security policy.
- Internal mobility:** We encourage employees to pursue internal mobility opportunities, with programmes in place to help employees move to different roles and departments.

### SUPPORTING COMMUNITIES

(customer-centric)

#### Why is it Material?

Supporting communities is a critical component of our sustainability strategy because it aligns with our core values and long-term vision. By investing in the social and economic development of the communities we serve, we create a positive impact that extends beyond our immediate business operations.

This approach not only enhances our corporate reputation and fosters trust with stakeholders but also ensures the sustainability of our operations by building resilient and thriving communities. Our commitment to community empowerment demonstrates our dedication to social responsibility, and at the same time attract and retain employees who share our values and are motivated to contribute to a greater cause.

#### Company of Good Recognition

We have been recognised as a Company of Good – 1 Heart Conferment by the National Volunteer & Philanthropy Centre (NVPC), joining a community of over 700 organisations committed to making a positive impact across the People, Society, Governance, Environment, and Economic dimensions.



This conferment underscores our continued efforts to integrate corporate purpose into our business strategy, aligning profitability with positive societal impact. It acknowledges our sustained initiatives in employee volunteerism, community engagement, responsible financing, and environmental stewardship, all of which contribute to building a more inclusive and sustainable economy.

As part of the Company of Good community, we will continue to foster cross-sector collaborations and purpose-led partnerships that drive meaningful change and long-term value creation for stakeholders.



# SUSTAINABILITY REPORT

## Key Initiatives

### Assisi Fun Day 2025

In June 2025, we proudly supported Assisi Hospice's annual fundraising event, Assisi Fun Day. Thirty-one of our staff volunteers prepared and sold food items, raising a total of \$10,166, placing us fifth among participating organisations. This initiative exemplified our dedication to community care and the importance of supporting palliative services. It was a day filled with joy and purpose, as our team contributed meaningfully to a cause that touches lives across Singapore.



### Hong Leong Foundation Charity Event at M Hotel

To mark the closure of the Lunar New Year celebrations, our staff joined fellow volunteers from across the Hong Leong Group to host a meaningful event for senior residents from Kheng Chiu Loke Tin Kee Home and Tai Pei Old People's Home. Ten of our colleagues helped welcome seventy seniors to M Hotel for an afternoon of games, laughter, and a festive buffet. This initiative reflected our deep respect for the elderly and our ongoing commitment to fostering a caring and inclusive society.

### Hong Leong Foundation Event at National Kidney Foundation (NKF) Dialysis Centre

In December 2025, a group of volunteers from HLF visited the NKF Dialysis Centre in Aljunied, spending time with patients during their four-hour dialysis sessions. They celebrated Christmas together by sharing gifts and offering words of encouragement, bringing festive cheer and warmth to the centre.



## GOVERNANCE

### REGULATORY COMPLIANCE AND ETHICAL CONDUCT

(compliance-centric)

#### Why is it Material?

At HLF, corporate governance guides how we manage our responsibilities to stakeholders. It shapes organisational practices related to accountability, integrity, and ethical conduct, which support business continuity and stakeholder confidence.

We apply a zero-tolerance approach to non-compliance with applicable laws, regulations, and internal policies. A risk-aware culture is promoted across the organisation to support sound decision-making, effective oversight, and adherence to regulatory and ethical standards.

#### Business Integrity and Ethics

The Board and Senior Management are firmly committed to upholding integrity and ethical business conduct in full compliance with applicable laws and regulatory standards. Our internal Code of Conduct outlines the Company's core principles: honesty, integrity, responsibility, and accountability, providing a clear framework for employees to apply these values in their interactions with customers, suppliers, regulators, and colleagues, including in situations involving potential conflicts of interest.

We maintain a strict zero-tolerance stance against bribery and corruption. In 2025, we recorded zero confirmed incidents of corruption, fraud, regulation breach or conflict of interest, reflecting our unwavering commitment to ethical business practices.

#### Anti-Money Laundering ("AML"), Countering the Financing of Terrorism ("CFT"), Anti-Fraud and Anti-Scam

HLF maintains a strong approach to AML and CFT, anti-fraud, scams and corruption through advisory support, regular staff training, compliance reviews, and transaction monitoring and partnerships with external stakeholders such as customers and enforcement agencies. All employees, both new and existing, receive appropriate training to help them understand and manage financial crime risks.

We continue to strengthen our AML and CFT practices through targeted training and active employee engagement. All required staff had completed the then- "Introduction to Anti-Fraud and Anti-Corruption Policy" training by 30 September 2025, reinforcing our commitment to preventing financial crime.

To support updated compliance requirements, the Compliance Department separated the original policy, Anti-Fraud and Anti-Corruption Policy, into two standalone frameworks:

- Anti-Fraud and Anti-Scam Policy and Guidelines (launched 17 June 2025)
- Anti-Corruption Policy and Guidelines (launched 10 July 2025)

#### Most Transparent Company Award – Big Cap Category

HLF was selected as the winner of the Most Transparent Company Award (MTCA) in the Big Cap Category at the SIAS Investors' Choice Awards 2025. The award, which adopts a scorecard jointly developed by Securities Investors Association (Singapore) (SIAS) and the NUS School of Business, Centre for Governance and Sustainability, is based on investor-focused research and recognises companies for their practices in corporate governance, sustainability, transparency and shareholder communication, alongside business and financial performance.



#### Key Initiatives

##### Anti-Scam Outreach Sessions with the Singapore Police Force (SPF)

In collaboration with the SPF, HLF organised two anti-scam outreach and engagement sessions for customers at its Jurong East and Bedok branches in 2025. The sessions focused on raising awareness of common scam tactics, sharing practical steps customers can take to safeguard themselves, and encouraging vigilance in daily financial transactions. Through direct engagement and information sharing, these initiatives support customer education and strengthen awareness of scam and fraud prevention measures, contributing to safer banking practices.



I've been a customer of Hong Leong Finance for more than 30 years and I'm very glad to have been invited to this scam talk. I found it very useful and interesting as I like to learn more about scams and how to protect myself. The content shared was also very engaging.

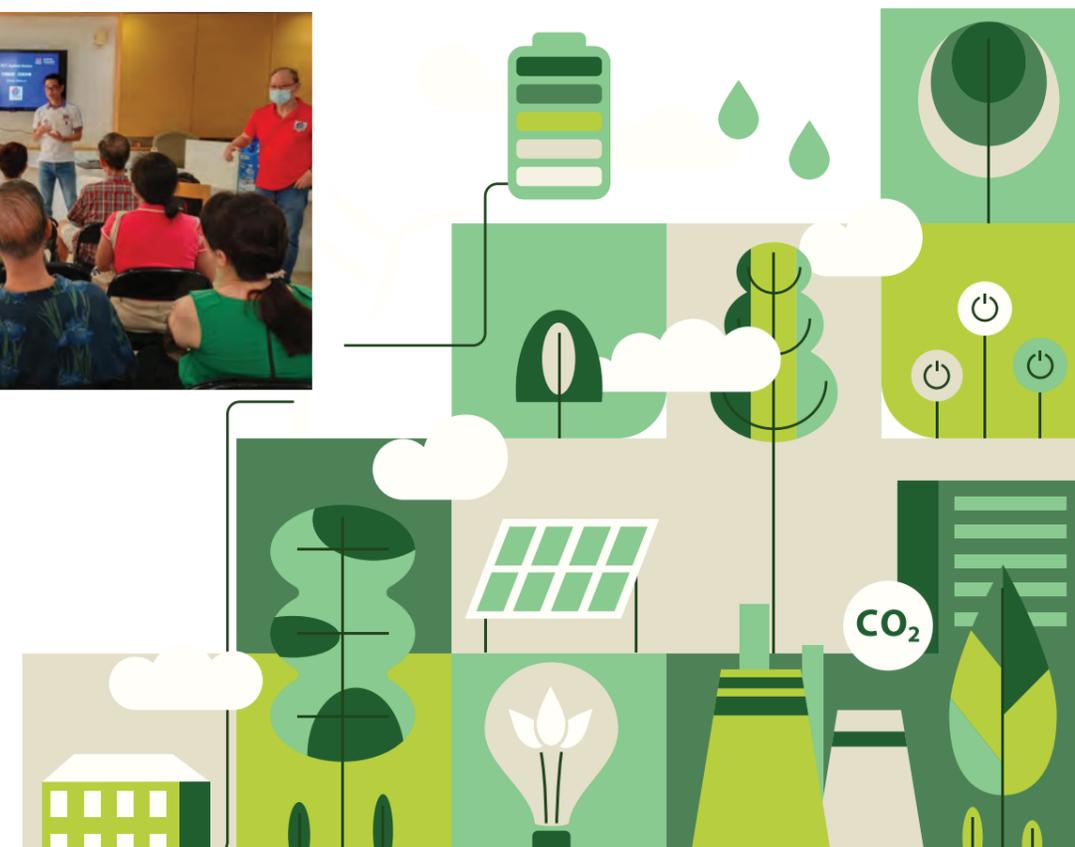
Mdm J. Low  
a customer who attended HLF's scam talk

#### Anti-Corruption Talk

In line with HLF's commitment to ethical business practices and strong corporate governance, an Anti-Corruption Talk was held on 7 November 2025 for senior management and staff. The session, attended by 146 employees, was conducted in collaboration with the Corrupt Practices Investigation Bureau (CPIB).

The session covered Singapore's approach to corruption, relevant legislative frameworks, selected case examples, common red flags and practical preventive measures. Key learning points were shared to help staff identify and manage corruption-related risks in their respective roles.

This initiative supports HLF's efforts to promote a culture of integrity, transparency and accountability. By enhancing employee awareness and understanding of ethical conduct, the Company strengthens its governance practices in support of sustainable business operations.





# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

### GENERAL STANDARD DISCLOSURES

<b>Statement of use</b>	HLF has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Reference and Response	Page No.
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	Overview Corporate Profile, Directory of Services, Corporate Directory, Board of Directors Branches & SME Centres	01 03, 14-22  Inside back cover
	2-2 Entities included in the organisation's sustainability reporting	Notes to the Financial Statements Reporting Scope	108 49
	2-3 Reporting period, frequency and contact point	Sustainability Report Board Statement	49 50
	2-4 Restatements of information	No restatements.	
	2-5 External assurance	Data and Internal Assurance	49
	2-6 Activities, value chain and other business relationships	Directory of Services Corporate Profile	14 03
	2-7 Employees	Our Employees in Numbers	74
	2-9 Governance structure and composition	Corporate Governance Report Sustainability Governance at HLF	23-46 57-58
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report	33-35
	2-11 Chair of the highest governance body	Corporate Governance Report	32
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report Sustainability Governance at HLF Materiality Assessment Sustainability Targets and Performance Stakeholder Engagement	23-25 57-58 54 59-60 55-56
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Report Sustainability Governance at HLF	25-28 57-58
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Report Sustainability Governance at HLF	25 57-58
	2-15 Conflicts of interest	Corporate Governance Report Regulatory Compliance and Ethical Conduct	25, 44-45 76
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report Sustainability Governance at HLF	25-26, 30-31 57-58
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	34-35
	2-19 Remuneration policies	Corporate Governance Report	35-38
	2-20 Process to determine remuneration	Corporate Governance Report	35-38
	2-22 Statement on sustainable development strategy	Chairman Statement Board Statement Elevating Our Climate Commitment and Disclosures	12-13 50 66-67
	2-23 Policy commitments	Overview Corporate Governance Report Sustainability Related Policies and Guidelines Governance	01 41,43-45 58 76-78
	2-24 Embedding policy commitments	Regulatory Compliance and Ethical Conduct Customer Trust and Responsible Data Management Corporate Governance Report Sustainability-Related Policies and Guidelines Employee Learning and Retention	76-77 78 41, 43-45 58 72-76

## GRI CONTENT INDEX

GRI Standard	Disclosure	Reference and Response	Page No.
<b>GRI 2: General Disclosures 2021</b>	2-25 Processes to remediate negative impacts	Corporate Governance Report Our Sustainability Framework and Approach Materiality Assessment Stakeholders Engagement	41 53 54 55-56
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance Report Regulatory Compliance and Ethical Conduct	41, 44-45 76
	2-27 Compliance with laws and regulations	Corporate Governance Report  Regulatory Compliance and Ethical Conduct	25, 38-40, 44-45 76
	2-28 Membership associations	Our memberships with organisations include the Singapore Business Federation, The Association of Banks in Singapore, the Finance Houses Association of Singapore, the Singapore National Employers Federation and the Alliance for Sustainability Innovation (ASI).	
	2-29 Approach to stakeholder engagement	Corporate Governance Report Stakeholder Engagement	44 55-56
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Materiality Assessment	54
	3-2 List of material topics	Our Sustainability Framework and Approach Sustainability Report	53 49-78
	3-3 Management of material topics	Sustainability Report	49-78
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Direct Economic Impact	61
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Report Regulatory Compliance and Ethical Conduct SGX Core ESG Metrics	41-45 76 79
	205-3 Confirmed incidents of corruption and actions taken	Regulatory Compliance and Ethical Conduct SGX Core ESG Metrics	76-77 79
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Environmental Sustainability and Climate Risk Management SGX Core ESG Metrics	65 79
	302-4 Reduction of energy consumption	Environmental Sustainability and Climate Risk Management	65
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Sustainability and Climate Risk Management SGX Core ESG Metrics	64 79
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Sustainability and Climate Risk Management SGX Core ESG Metrics	64 79
	305-5 Reduction of GHG emissions	Environmental Sustainability and Climate Risk Management	64
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Our Employees in Numbers SGX Core ESG Metrics	74 79
<b>GRI 403: Occupational Health and Safety 2018</b>	403-5 Worker training on occupational health and safety	Employee Well-being	73
	403-9 Work-related injuries	SGX Core ESG Metrics	79
	403-10 Work-related ill health	SGX Core ESG Metrics	79
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Employee Training SGX Core ESG Metrics	75 79
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Employee Training and Development	74-75
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Corporate Governance Report Our Employees in Numbers SGX Core ESG Metrics	29-31 74 79
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	Supporting Communities	75-76
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Trust and Responsible Data Management	78

# SUSTAINABILITY REPORT

## TCFD CONTENT INDEX

TCFD Recommendations	Disclosure Reference	Source
<b>Governance</b>		
a) Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance at HLF	Sustainability Report, Page 57-58
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Governance at HLF	Sustainability Report, Page 57-58
<b>Strategy</b>		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Environmental Sustainability and Climate Risk Management	Sustainability Report, Page 66-71
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>Elevating our Climate Commitment and Disclosures (Climate Strategy)</li> <li>Strategy Alignment: Assessing Climate Risk Impacts</li> </ul>	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> <li>Climate-Related Opportunities and Impacts</li> </ul>	
<b>Risk Management</b>		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Environmental Sustainability and Climate Risk Management	Sustainability Report, Page 71
b) Describe the organisation's processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>Risk Management</li> </ul>	Annual Report, Page 48
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk Management Report	
<b>Metrics and Target</b>		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Sustainability and Climate Risk Management	Sustainability Report, Page 64-65, 71-72
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	<ul style="list-style-type: none"> <li>Environmental Performance for 2025</li> <li>Metrics and Targets</li> </ul>	
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability Targets and Performance	Sustainability Report, Page 59

## SINGAPORE ACCOUNTABILITY STANDARDS BOARD (SASB) – CONSUMER FINANCE

Code	Topic	Metric	Disclosure
<b>Governance</b>			
FN-CF-230a.3	Data Security	Description of approach to identifying and addressing data security risks	Page 78
FN-CF-270a.4	Selling Practices	(1) Number of customer complaints filed with an external dispute resolution body (2) Percentage with monetary or non-monetary relief	(1) 0 complaints filed with Financial Industry Disputes Resolution Centre Ltd (FIDReC)* in 2025 (2) Not applicable.

\*FIDReC is an independent alternative dispute resolution institution in Singapore that resolves disputes between consumers and financial institutions through mediation and adjudication.

# FINANCIAL ANALYSIS AND REVIEW

The financial statements are prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)").

	Group		Variance* + / (-) %
	2025 \$mil	2024 \$mil	
<b>KEY FINANCIAL INDICATORS</b>			
<b>Selected Profit and Loss Items</b>			
Net interest income/hiring charges	168.5	225.1	(25.1)
Fee and commission income	14.7	8.1	81.3
Other operating income	0.2	0.1	34.9
Income before operating expenses	183.4	233.3	(21.4)
Less: Operating expenses	112.2	108.8	3.1
Profit from operations before allowances	71.2	124.5	(42.8)
Add: Reversal or recovery of allowances for doubtful debts and other financial assets	4.3	0.3	>100
Profit before tax	75.5	124.8	(39.5)
Profit after tax attributable to owners	62.7	104.1	(39.7)
<b>Selected Balance Sheet Items</b>			
Loans, advances and receivables (net of allowances)	12,098	11,668	3.7
Deposits and balances of customers	12,299	12,300	(0.01)
Total assets	14,763	14,634	0.9
Total liabilities	12,647	12,526	1.0
Total equity	2,116	2,108	0.4
<b>Key Financial Ratios</b>			
Net interest margin (%)	1.2	1.6	
Net interest income/total income (%)	91.9	96.5	
Non-interest income/total income (%)	8.1	3.5	
Cost/income ratio (%)	61.2	46.6	
Loans/deposits ratio (%)	98	95	
Non-performing loans ratio (%)			
- Secured by collateral	0.4	0.4	
- Unsecured and fully provided for	-	-	
Return on equity (%)	3.0	5.0	
Return on assets (%)	0.4	0.7	
Capital adequacy ratio (%)	16.1	16.3	
Earnings per share (cents)			
- per basic share	14.0	23.2	
- per diluted share	14.0	23.2	
Net assets per share (\$)			
- per basic share	4.71	4.70	
- per diluted share	4.57	4.56	

~ Ratio less than 0.1%.

\* Calculated based on actual figures before rounding.

## FINANCIAL ANALYSIS AND REVIEW

	2025 cents	2024 cents
Dividend per share (tax exempt)		
- interim	2.75	3.75
- final	6.15	10.00
Total	8.90	13.75

### FINANCIAL OVERVIEW

For full year 2025, net profit stood at \$62.7 million, 39.7% year-on-year decrease against a strong prior-year performance.

Full year net interest income decreased by 25.1% to \$168.5 million, the decline of 25.0% in interest income was cushioned by 25.3% increase in hiring charges, and partially offset by a corresponding 25.0% decrease in interest expenses.

Notwithstanding the pressure on net interest income, the Group achieved strong growth in fee-based income. Fee and commission income increased by 81.3% to \$14.7 million for the full year 2025, driven by increased property financing activities amid improving market sentiment.

Cost management remained disciplined during the year. Total operating expenses increased by 3.1% to \$112.2 million for the full year, reflecting ongoing investments in digital capabilities and infrastructure. Depreciation on the capital investment on IT infrastructure and the launch of HLF Digital system in 2025 contributed to the higher depreciation charge of 9.4% for full year 2025. Other operating expenses increased 11.6% to \$21.0 million for full year 2025, mainly due to ongoing business transformation costs.

Expected credit losses for the full year 2025 were a net reversal for loans and other financial assets at \$4.3 million compared to \$0.3 million in 2024. This included a net write-back of \$5.3 million in allowances for non credit-impaired loans with refined risk parameters after setting aside the pre-exemptive allowance for economic uncertainty and impact from US tariff hike, partially offset by a \$1.1 million allowance for credit-impaired loans. With the continued adoption of prudent lending and disciplined credit assessment practices, the non-performing loan (“NPL”) ratio remained low at 0.4%. The Group continues to set aside adequate loss allowances coverage for its loan portfolio.

Net loan assets totalled \$12,098 million as at 31 December 2025, representing an increase of 3.7% or \$430 million from \$11,668 million as at 31 December 2024. The growth in loans helped support net interest income amid a narrowing net interest margin during the year. The loan portfolio remained predominantly secured, reflecting the Group’s prudent credit risk management and disciplined underwriting standards.

Deposits and balances of customers decreased marginally to \$12,299 million as at 31 December 2025, compared to \$12,300 million as at 31 December 2024, representing a slight decline of 0.01% or \$1 million. The Group continues to actively optimize its balance sheet to support loan growth while managing funding efficiency.

As at 31 December 2025, the Group held \$2,591 million (31 December 2024: \$2,886 million) in cash and cash equivalents, including statutory deposits with the Monetary Authority of Singapore (“MAS”), Singapore Government securities and MAS Bills held as liquid assets. Liquidity buffers were maintained above the regulatory Minimum Liquid Assets (“MLA”) requirement. Surplus funds were prudently deployed into higher-yielding liquid assets to enhance net returns while preserving a strong liquidity position.

Group shareholders’ funds stood at \$2,116 million as at 31 December 2025 (31 December 2024: \$2,108 million). Net asset value per share increased to \$4.71 (31 December 2024: \$4.70 per share), underscoring the Group’s steady capital accretion and financial resilience.

The Group’s Capital Adequacy Ratio (“CAR”) was 16.1% as at 31 December 2025, remaining well above the regulatory minimum requirement, providing a strong buffer to support business growth and absorb potential market volatility.

With a robust capital base, sound liquidity position and disciplined risk management framework, the Group is well positioned to navigate prevailing market uncertainties while pursuing sustainable growth opportunities.

An interim dividend of 2.75 cents per share (tax exempt one-tier) was paid on 5 September 2025. With the proposed payment of a final dividend of 6.15 cents per share (tax exempt one-tier) in respect of the financial year ended 31 December 2025, the total distribution for 2025 at 8.90 cents per share will amount to approximately \$40.0 million, compared to 13.75 cents per share amounting to \$61.7 million for 2024. This represents a dividend payout ratio of 63.8% for financial year 2025, as compared with 59.3% in financial year 2024. The proposed final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

This report is made up to the date of the release of the financial statements announcement for the full year ended 31 December 2025 based on figures that have been audited.

### ANALYSIS OF PERFORMANCE

#### Net Interest Income

Net interest income for 2025 decreased by 25.1% to \$168.5 million from \$225.1 million in 2024 on compressed net interest margin of 1.2% in 2025 (2024: 1.6%).

The table below shows the average balance and net interest margin attributed to the interest-bearing assets and liabilities:

	Group					
	2025			2024		
	Average Balance \$mil	Interest \$mil	Average Rate %	Average Balance \$mil	Interest \$mil	Average Rate %
<b>Interest-bearing Assets</b>						
Loans, advances and receivables	11,667	383.8	3.3	11,526	504.8	4.4
Singapore Government debt securities, MAS Bills and MAS Floating Rate Note	1,655	42.2	2.5	1,770	59.8	3.4
Other assets	848	18.7	2.2	837	28.7	3.4
Total	14,170	444.7	3.1	14,133	593.3	4.2
<b>Interest-bearing Liabilities</b>						
Deposits and balances of customers	12,253	274.9	2.2	12,205	366.9	3.0
Borrowings from MAS SGD Facility for ESG (secured)	-	-	-	7	0.1	0.9
Borrowings from Enterprise Singapore (unsecured)	1	0.0 <sup>~</sup>	2.2	2	0.0 <sup>~</sup>	2.2
Total	12,254	274.9	2.2	12,214	367.0	3.0
Net interest income/margin as a percentage of interest-bearing assets	-	169.8 <sup>#</sup>	1.2	-	226.3 <sup>#</sup>	1.6

<sup>~</sup> Amount less than \$0.1 million.

<sup>#</sup> Before deducting interest expense on lease liabilities of \$1.3 million (2024: \$1.2 million).

## FINANCIAL ANALYSIS AND REVIEW

### Volume and Rate Analysis

The table below shows the changes in net interest income attributable to the impact of volume and changes in interest rates:

Increase/(decrease) for 2025 over 2024 due to change in	Group		
	Volume \$mil	Rate \$mil	Total \$mil
<b>Interest Income</b>			
Loans, advances and receivables	6.2	(127.2)	(121.0)
Singapore Government debt securities, MAS Bills and MAS Floating Rate Note	(3.9)	(13.7)	(17.6)
Other assets	0.4	(10.4)	(10.0)
Net	2.7	(151.3)	(148.6)
<b>Interest Expense</b>			
Deposits and balances of customers	1.4	(93.4)	(92.0)
Borrowings from MAS SGD Facility for ESG (secured)	(0.1)	–	(0.1)
Borrowings from Enterprise Singapore (unsecured)	0.0~	0.0~	0.0~
Net	1.3	(93.4)	(92.1)
<b>Net interest income</b>	<b>1.4</b>	<b>(57.9)</b>	<b>(56.5)</b>

~ Amount less than \$0.1 million.

### Non-Interest Income

Fee and commission income from the loan and financing business increased by \$6.6 million or 86.6% due to higher loan commitment fee income from property financing activities of lending business. Fees from non-lending business increased by \$0.06 million or 10.3%.

	Group		
	2025 \$mil	2024 \$mil	Variance* + / (-) %
<b>Fee and Commission Income</b>			
Loan related and other financing business	14.1	7.5	86.6
Non-lending business including corporate advisory services and other trailer fees	0.6	0.6	10.3
	14.7	8.1	81.3
<b>Other Operating Income</b>	<b>0.2</b>	<b>0.1</b>	<b>34.9</b>
<b>Total</b>	<b>14.9</b>	<b>8.2</b>	<b>80.6</b>

\* Calculated based on actual figures before rounding.

### Operating Expenses

Total operating expenses increased by 3.1% to \$112.2 million in 2025 from \$108.8 million in 2024 mainly attributed to higher depreciation on investment costs and other operating expenses related to digital front end system and business transformation costs.

	Group		
	2025 \$mil	2024 \$mil	Variance* + / (-) %
Staff costs	81.9	81.5	0.5
Depreciation of property, plant and equipment	9.3	8.5	9.4
Other operating expenses	21.0	18.8	11.6
<b>Total</b>	<b>112.2</b>	<b>108.8</b>	<b>3.1</b>
Group staff strength – period end	636	632	0.6

### Analysis of Gross Loan Portfolio

#### (a) Customer loans by product group

The Group continues to focus on its key pillar business with mortgage loans for residential, commercial and industrial properties made up 51% of total portfolio (2024: 47%). Mixed development made up 10% of total portfolio (2024: 10%). Hotels and other properties component stood at 12% of the total (2024: 15%) of which Hotels made up of 10% (2024: 11%). Other properties loan include dormitories, association and church/temple. The housing and HDB loans component stood at 6% of the total (2024: 8%) of which HDB home loans made up of 4% (2024: 5%). Hire Purchase Vehicles formed 18% of total loan portfolio as at 31 December 2025 (2024: 17%) with remaining portfolios supporting other corporate loans (Hire Purchase Industrial/Equipment/Trade Finance).

	Group			
	2025		2024	
	\$mil	%	\$mil	%
Mortgage properties	6,204	51	5,536	47
Mixed Development	1,172	10	1,215	10
Hotels and other properties	1,534	12	1,752	15
Housing and HDB Home Loans	689	6	922	8
Hire Purchase Vehicles/Industrial	2,350	19	2,087	18
Share Loans	77	1	81	1
Others	86	1	93	1
<b>Total</b>	<b>12,112</b>	<b>100</b>	<b>11,686</b>	<b>100</b>

\* Calculated based on actual figures before rounding.

## FINANCIAL ANALYSIS AND REVIEW

### (b) Customer loans by remaining contractual maturity

	Group			
	2025		2024	
	\$mil	%	\$mil	%
Reviewable/due within 1 year	3,260	27	3,452	30
Due after 1 year but within 3 years	3,923	32	3,917	33
Due after 3 years but within 5 years	2,298	19	1,706	15
Over 5 years	2,631	22	2,611	22
Total	12,112	100	11,686	100

### (c) Non-performing loans

Non-performing loans comprised 0.4% (2024: 0.4%) secured loan and 0.02% (2024: 0.01%) unsecured loan of the total portfolio. The Group maintains full ECL allowances for all non-performing loans where the net outstanding debt is not covered by the value of the collateral held, taking into consideration the net realisable value of the collaterals. The asset quality was well managed and NPL ratio remained stable at 0.4% (2024: 0.4%). The non-performing exposures remained largely secured. There are no loans and advances graded as doubtful as at 31 December 2025 and 2024.

The non-performing loans position graded in line with industry definition together with the security coverage is given below.

	Group		
	2025	2024	Variance*
	\$mil	\$mil	+ / (-) %
Substandard	48.2	50.5	(4.6)
Loss	2.8	1.8	59.2
Total	51.0	52.3	(2.4)
(i) Secured non-performing loans ("NPLs")	48.2	50.5	(4.6)
Secured NPLs as % of total NPLs	94.6	96.7	(2.1%pt)
(ii) Unsecured NPLs	2.8	1.8	59.2
Specific allowances for NPLs	3.4	2.8	23.0
(iii) Specific allowances as % of total NPLs	6.7	5.3	1.4%pt

### (c) Non-performing loans (continued)

Analysis of non-performing loans by industrial classification

	Group			
	2025		2024	
	\$'000	%	\$'000	%
Manufacturing	982	2	1,263	2
Building and construction	1,079	2	2,033	4
General commerce	2,357	5	1,529	3
Transport, storage and communication	4,081	8	1,936	4
Professional and private individuals	38,720	76	41,296	79
Others	3,778	7	4,220	8
Total	50,997	100	52,277	100

Analysis of non-performing loans by period overdue

	Group			
	2025		2024	
	\$'000	%	\$'000	%
Over 180 days	6,369	13	8,239	16
Over 90 to 180 days	9,129	18	5,096	10
Less than 90 days	20,995	41	24,521	47
Not overdue	14,504	28	14,421	27
Total	50,997	100	52,277	100

\* Calculated based on actual figures before rounding.

# FINANCIAL ANALYSIS AND REVIEW

## Funding Sources

Total funding (including total equity) increased by 0.9% in 2025 to \$14,763 million from \$14,634 million in 2024. Customers' deposits was \$1 million lower in 2025 closing at \$12,299 million from \$12,300 million in 2024. There are no bank borrowings outstanding as at 31 December 2025. The Group maintained strong liquidity buffer amidst volatile financial conditions.

	Group		Variance* + / (-) %
	2025 \$mil	2024 \$mil	
Fixed deposits	11,973	12,121	(1.2)
Savings deposits and other balances of customers	318	171	86.0
Current accounts and other deposits	8	8	(1.6)
Total customer deposits	12,299	12,300	(0.01)
Other liabilities	348	226	54.0
Total shareholders' equity	2,116	2,108	0.4
Total	14,763	14,634	0.9

## Customer deposits by remaining contractual maturity

On demand/up to 1 year	11,974	12,296	(2.6)
Over 1 year to 3 years	325	4	>100
Total customer deposits	12,299	12,300	(0.01)

## Capital Adequacy Ratio

As at 31 December 2025, the capital adequacy ratio decreased to 16.1% as compared to a year ago. The Group maintains strong capital adequacy ratio well above the minimum regulatory requirement.

	Group	
	2025 \$mil	2024 \$mil
Share capital	894	892
Reserves	1,138	1,096
Eligible total capital	2,032	1,988
Risk-weighted assets	12,587	12,221
Ratio	16.1%	16.3%

Date: 25 February 2026

# FINANCIAL REPORT

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\* Calculated based on actual figures before rounding.

## DIRECTORS' STATEMENT

Year ended 31 December 2025

The directors are pleased to present their statement to the members of Hong Leong Finance Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2025.

In our opinion:-

- (a) the consolidated financial statements of the Group set out on pages 103 to 165 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 31 December 2025 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### Directors

The directors of the Company in office at the date of this statement are as follows:-

Kwek Leng Beng  
Kwek Leng Peck  
Kwek Leng Kee  
Kevin Hangchi  
Peter Chay Fook Yuen  
Tan Tee How  
Tan Siew San  
Christian Gautier de Charnace  
Clarence Yeo Gek Leong  
Jeann Low Ngiap Jong

### Directors' Interests

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants and/or debentures of the Company, or of its related corporations, either at the beginning or at the end of the financial year. The directors consider Hong Leong Investment Holdings Pte. Ltd. ("HLIH") to be the immediate and ultimate holding company of the Company.

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and children below 18 years of age) in shares and/or share options in the Company and in related corporations are as follows:-

## DIRECTORS' STATEMENT

Year ended 31 December 2025

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
<b><u>The Company</u></b>		
<b>Shares</b>		
Kwek Leng Beng	6,667,567	<b>6,667,567</b>
Kwek Leng Peck	517,359	<b>517,359</b>
Kwek Leng Kee	1,595,079	<b>1,595,079</b>
Kevin Hangchi	648,016	<b>648,016</b>
<b>Options to subscribe for shares under the Hong Leong Finance Share Option Scheme 2001</b>		
Kwek Leng Beng	1,118,500	<b>1,241,000</b>
<b><u>Immediate and Ultimate Holding Company</u></b>		
<b>Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares</b>		
Kwek Leng Beng	2,320	<b>2,320</b>
Kwek Leng Peck	10,921	<b>10,921</b>
Kevin Hangchi	518	<b>518</b>
<b><u>Related Corporations</u></b>		
<b>Hong Leong Holdings Limited Ordinary Shares</b>		
Kwek Leng Beng	259,000	<b>259,000</b>
Kwek Leng Peck	381,428	<b>381,428</b>
Kwek Leng Kee	997,000	<b>997,000</b>
Kevin Hangchi	354,833	<b>354,833</b>
<b>City Developments Limited Ordinary Shares</b>		
Kwek Leng Beng	397,226	<b>397,226</b>
Kwek Leng Peck	43,758	<b>731,458</b>
Kevin Hangchi	50,000	<b>50,000</b>

## DIRECTORS' STATEMENT

Year ended 31 December 2025

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
<b>Related Corporations (continued)</b>		
<b>Preference Shares</b>		
Kwek Leng Beng	144,445	<b>144,445</b>
Kevin Hangchi	24,060	<b>24,060</b>
<b>Hong Realty (Private) Limited Ordinary Shares</b>		
Kwek Leng Beng	1,110	<b>1,110</b>
Kwek Leng Peck	150	<b>150</b>
Kwek Leng Kee	300	<b>300</b>
Kevin Hangchi	24	<b>24</b>
<b>Hong Leong Asia Ltd. Ordinary Shares</b>		
Kwek Leng Beng	660,000	<b>660,000</b>
Kwek Leng Peck	8,870,700	<b>10,370,700</b>
Kwek Leng Kee	300,000	<b>300,000</b>
<b>China Yuchai International Limited Options to subscribe for ordinary shares under the China Yuchai International Limited 2025 Equity Incentive Plan</b>		
Kwek Leng Peck	–	<b>50,000</b>
<b>Millennium &amp; Copthorne Hotels New Zealand Limited Ordinary Shares</b>		
Kwek Leng Beng	906,000	–
<b>Redeemable Non-Voting Preference Shares</b>		
Kwek Leng Beng	453,000	<b>453,000</b>
<b>Sun Yuan Holdings Pte Ltd Ordinary Shares</b>		
Kwek Leng Beng	15,000,000	<b>15,000,000</b>

## DIRECTORS' STATEMENT

Year ended 31 December 2025

	Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
<b>Immediate and Ultimate Holding Company</b>		
<b>Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares</b>		
Kwek Leng Beng	40,744	<b>40,744</b>
Kwek Leng Kee	47,019	<b>47,019</b>

The directors' interests in the Company as at 31 December 2025 disclosed above remained unchanged as at 21 January 2026.

Except as disclosed under the section on "Share Options" in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the 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.

### Share Options

#### (a) Hong Leong Finance Share Option Scheme 2001 (the "Share Option Scheme")

The Share Option Scheme was approved by the shareholders at the extraordinary general meeting of the Company held on 31 January 2001 for an initial duration of 10 years (from 31 January 2001 to 30 January 2011). The Share Option Scheme was extended at the annual general meeting of the Company held on 23 April 2010 for a further period of 10 years from 31 January 2011 to 30 January 2021. At the Company's annual general meeting held on 25 June 2020, the shareholders approved the second extension of the duration of the Share Option Scheme for another period of 10 years from 31 January 2021 to 30 January 2031.

The Share Option Scheme is administered by a committee comprising the following members:-

Peter Chay Fook Yuen (Chairman)  
Kwek Leng Peck  
Tan Siew San  
Clarence Yeo Gek Leong

The Share Option Scheme provides the Company with the flexibility of granting options to participants at Market Price (as defined in the Share Option Scheme) and/or with a discount (either up-front or a deferred discount) to the Market Price. All options granted to date under the Share Option Scheme are at Market Price and were granted to Group Employees and Parent Group Employees (both as defined in the Share Option Scheme). Subject to any applicable vesting schedule, these options may be exercised one year after the date of the grant and have a term of ten years from the date of the grant.

The aggregate number of shares in the capital of the Company ("Shares") over which options may be granted under the Share Option Scheme on any date, when added to the number of Shares issued and issuable in respect of all options granted under the Share Option Scheme shall not exceed 15% of the total number of issued Shares on the day preceding the relevant date of grant. The aggregate number of Shares which may be offered by way of grant of options to Parent Group Employees and Parent Group Non-Executive Directors (as defined in the Share Option Scheme) collectively under the Share Option Scheme shall not exceed 20% of the total number of Shares available under the Share Option Scheme.

## DIRECTORS' STATEMENT

Year ended 31 December 2025

### (b) Options granted under the Share Option Scheme

During the financial year under review, the following options were granted to Group Employees under the Share Option Scheme:-

Date of grant	Exercise period	Number of Shares under option	Subscription Price
16.9.2025	16.9.2026 to 15.9.2035	2,504,000 (net of options not accepted)	\$2.62

(i) Included in the above are options granted to an Executive Director of the Company, details of which are as follows:-

Name of Director	Shares under option granted during financial year under review	Aggregate Shares under option granted since commencement of Share Option Scheme to end of financial year under review	Aggregate Shares under option exercised since commencement of Share Option Scheme to end of financial year under review	Aggregate Shares under option lapsed since commencement of Share Option Scheme to end of financial year under review	Aggregate Shares under option outstanding as at end of financial year under review
Kwek Leng Beng	122,500	6,025,000	2,064,000	2,720,000	1,241,000

- (ii) None of the participants were regarded by the directors as controlling shareholders of the Company.
- (iii) None of the other participants were granted options representing 5% or more of the total number of Shares under option available under the Share Option Scheme.
- (iv) None of the Parent Group Employees were granted options representing 5% or more of the total number of Shares under option available under the Share Option Scheme to all Parent Group Employees and Parent Group Non-Executive Directors. A total of 250,000 Shares under option were granted to Parent Group Employees since the commencement of the Share Option Scheme to the end of the financial year under review.
- (v) Except for options granted to persons in their capacity as Group Employees and/or Parent Group Employees, no other options have been granted by the Company to any other categories of persons since the commencement of the Share Option Scheme.
- (vi) The options granted to certain participants of executive rank (including those granted to an Executive Director of the Company) since the commencement of the Share Option Scheme are subject to a vesting schedule as follows:-
- (1) one year after the date of grant for up to 33% of the Shares over which the options are exercisable;
  - (2) two years after the date of grant for up to 66% (including (1) above) of the Shares over which the options are exercisable; and
  - (3) three years after the date of grant for up to 100% (including (1) and (2) above) of the Shares over which the options are exercisable.
- (vii) The persons to whom options have been granted do not have any right to participate by virtue of these options in any share issue of any other company.

## DIRECTORS' STATEMENT

Year ended 31 December 2025

### (c) Unissued Shares under option

There were a total of 16,705,900 unissued Shares under option granted pursuant to the Share Option Scheme at the end of the financial year. Details of the options to subscribe for Shares (including those granted to an Executive Director) are as disclosed in the accompanying financial statements.

Except as disclosed above and in the accompanying financial statements, during the financial year, there were:-

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued Shares of the Company or its subsidiaries; and
- (ii) no Shares issued by virtue of any exercise of options to take up unissued Shares of the Company or its subsidiaries.

### Audit Committee

The Audit Committee comprises four independent non-executive members of the Board of Directors:-

Peter Chay Fook Yuen (Chairman)  
Tan Tee How  
Clarence Yeo Gek Leong  
Jeann Low Ngiap Jong

The Audit Committee performed its functions in accordance with its terms of reference which include those specified in the Act, the Listing Manual of Singapore Exchange Securities Trading Limited ("Listing Manual") and the Code of Corporate Governance.

In the performance of its functions, the Audit Committee met with the Company's internal and external auditors, and reviewed their audit plans as well as the scope and results of their examination and their evaluation of the Company's system of internal controls.

The Audit Committee also reviewed, *inter-alia*, the following:-

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly and annual financial statements of the Group and of the Company prior to their submission to the directors of the Company for approval; and
- the nature and level of audit and non-audit fees of the external auditors.

The Audit Committee has full access to management and is given the resources required by it to discharge its functions. It has full authority and the discretion to invite any director or executive officer or third-party advisor to attend its meetings.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the Listing Manual.

# DIRECTORS' STATEMENT

Year ended 31 December 2025

## Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

## Kwek Leng Beng

Director

## Peter Chay Fook Yuen

Director

## Singapore

25 February 2026

# INDEPENDENT AUDITORS' REPORT

Members of the Company  
Hong Leong Finance Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Hong Leong Finance Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 103 to 165.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code'), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Impairment of loans, advances and receivables

(Refer to Note 12 to the financial statements)

### The key audit matter

The Group's loans, advances and receivables to customers represent approximately 82% of its total assets. The determination of expected credit losses (ECL) is inherently subjective and requires significant judgment, given the elevated estimation uncertainty caused by current macroeconomic and geopolitical conditions.

We identified heightened judgmental inputs in the following areas: (i) identification of exposures that have experienced a significant increase in credit risk and (ii) selection and assigning probability weightings to forward-looking economic scenarios.

Management has also enhanced its probability of default model by further segmenting its products and customer portfolios into more granular groups.

# INDEPENDENT AUDITORS' REPORT

Members of the Company  
Hong Leong Finance Limited

## *How the matter was addressed in our audit*

Our audit procedures to address this key audit matter included, amongst others:

- Evaluating the design, implementation and operating effectiveness of the key controls over the Group's credit approval and credit review processes.
- Assessing the reasonableness of the criteria used to determine significant increase in credit risk and testing a sample of credit reviews. For selected exposures, we challenged management's staging conclusions, including consideration of contradictory evidence and any objective evidence of impairment.
- Reviewing the Group's process for developing forward-looking economic scenarios, including the reasonableness of key economic variables against external data and the rationale for scenario probability weightings. We also performed sensitivity analyses to assess the impact of changes in scenario severity and weightings on the ECL allowance.
- Assessing the appropriateness of enhancements made to the ECL model methodology for compliance with SFRS(I) 9.
- For credit-impaired exposures, evaluate expected recoveries by considering the realisable values of collaterals and other potential repayment sources, including comparing collateral valuations to external evidence such as independent valuation reports, where available.
- Testing the accuracy and integrity of the data inputs used in the ECL calculations and reperformance of the ECL calculations.

Based on the procedures performed, we found that the methodology and key assumptions adopted by management in the ECL model to be appropriate, and that the ECL allowance was computed consistently in accordance with the model.

## *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the analysis of shareholdings ('the Report') which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

## *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# INDEPENDENT AUDITORS' REPORT

Members of the Company  
Hong Leong Finance Limited

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 controls.
- Obtain an understanding of internal controls 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 controls 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# INDEPENDENT AUDITORS' REPORT

Members of the Company  
Hong Leong Finance Limited

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 current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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 our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Tan Chun Wei (Chen Junwei).

**KPMG LLP**  
Public Accountants and  
Chartered Accountants

Singapore

25 February 2026

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
<b>Number of shares in issue</b>	4	<b>449,687,308</b>	448,568,933	<b>449,687,308</b>	448,568,933
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Share capital	4	<b>894,475</b>	891,641	<b>894,475</b>	891,641
Reserves	4	<b>896,970</b>	873,060	<b>896,970</b>	873,060
Accumulated profits		<b>324,525</b>	342,834	<b>320,599</b>	339,018
<b>Equity attributable to owners of the Company</b>		<b>2,115,970</b>	2,107,535	<b>2,112,044</b>	2,103,719
<b>Liabilities</b>					
Deposits and balances of customers	6	<b>12,298,987</b>	12,300,265	<b>12,303,699</b>	12,304,858
Borrowings	7	<b>706</b>	1,449	<b>706</b>	1,449
Trade and other payables	8	<b>331,076</b>	201,916	<b>329,728</b>	200,599
Current tax payable		<b>11,546</b>	19,134	<b>11,536</b>	19,120
Deferred tax liabilities	9	<b>4,911</b>	3,591	<b>4,911</b>	3,591
<b>Total liabilities</b>		<b>12,647,226</b>	12,526,355	<b>12,650,580</b>	12,529,617
<b>Total equity and liabilities</b>		<b>14,763,196</b>	14,633,890	<b>14,762,624</b>	14,633,336
<b>Assets</b>					
Cash at banks and in hand	10	<b>514,186</b>	772,045	<b>513,079</b>	770,957
Statutory deposit with the Monetary Authority of Singapore	10	<b>341,649</b>	336,926	<b>341,649</b>	336,926
Singapore Government debt securities and MAS bills	11	<b>1,735,275</b>	1,777,106	<b>1,735,275</b>	1,777,106
Loans, advances and receivables	12	<b>12,098,434</b>	11,667,726	<b>12,098,434</b>	11,667,726
Other receivables, deposits and prepayments	13	<b>13,083</b>	16,611	<b>13,083</b>	16,610
Subsidiaries	14	<b>–</b>	–	<b>535</b>	535
Investments (long-term)	15	<b>–</b>	–	<b>–</b>	–
Property, plant and equipment	16	<b>60,569</b>	63,476	<b>60,569</b>	63,476
<b>Total assets</b>		<b>14,763,196</b>	14,633,890	<b>14,762,624</b>	14,633,336
Acceptances, guarantees and other obligations on behalf of customers	17	<b>449</b>	449	<b>449</b>	449

The accompanying notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	Group	
		2025 \$'000	2024 \$'000
Profit and loss account:			
Interest on loans		311,914	447,469
Hiring charges		71,835	57,347
Other interest income		60,958	88,478
Interest income/hiring charges		444,707	593,294
Less: Interest expense		276,134	368,242
Net interest income/hiring charges	18	168,573	225,052
Fee and commission income	19	14,697	8,105
Other operating income	20	170	126
Income before operating expenses		183,440	233,283
Less: Staff costs	21	81,859	81,461
Depreciation of property, plant and equipment	16	9,293	8,495
Other operating expenses	22	21,038	18,847
Total operating expenses		112,190	108,803
<b>Profit from operations before allowances</b>		<b>71,250</b>	<b>124,480</b>
Add: Reversal or recovery of allowances for doubtful debts and other financial assets	10, 12, 13	4,255	284
<b>Profit before income tax</b>		<b>75,505</b>	<b>124,764</b>
Less: Income tax expense	23	12,789	20,681
<b>Profit for the year/Comprehensive income attributable to owners of the Company</b>		<b>62,716</b>	<b>104,083</b>
<b>Earnings per share (cents)</b>	24		
Basic		13.97	23.20
Diluted		13.95	23.19

The accompanying notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital \$'000	Statutory reserve \$'000	Capital reserve \$'000	Share option reserve \$'000	Regulatory loss allowance reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Group</b>							
At 1 January 2024	891,578	822,015	2,307	2,090	15,135	327,155	2,060,280
Issue of shares under share option scheme	59						59
Value of employee services received for issue of share options				305			305
Value of employee services transferred for share options exercised or lapsed	4			(451)		447	–
Final dividend of 9 cents per share (tax exempt one-tier) paid in respect of year 2023						(40,371)	(40,371)
Interim dividend of 3.75 cents per share (tax exempt one-tier) paid in respect of year 2024						(16,821)	(16,821)
Adjustment under MAS 811					5,638	(5,638)	–
Comprehensive income for the year						104,083	104,083
Transfer to Statutory reserve		26,021				(26,021)	–
At 31 December 2024	891,641	848,036	2,307	1,944	20,773	342,834	2,107,535
At 1 January 2025	891,641	848,036	2,307	1,944	20,773	342,834	2,107,535
Issue of shares under share option scheme	2,671						2,671
Value of employee services received for issue of share options				262			262
Value of employee services transferred for share options exercised or lapsed	163			(329)		166	–
Final dividend of 10 cents per share (tax exempt one-tier) paid in respect of year 2024						(44,865)	(44,865)
Interim dividend of 2.75 cents per share (tax exempt one-tier) paid in respect of year 2025						(12,349)	(12,349)
Adjustment under MAS 811					8,297	(8,297)	–
Comprehensive income for the year						62,716	62,716
Transfer to Statutory reserve		15,680				(15,680)	–
At 31 December 2025	894,475	863,716	2,307	1,877	29,070	324,525	2,115,970

The statutory reserve is maintained in compliance with the provisions of Section 18 of the Finance Companies Act 1967.

The accompanying notes form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital \$'000	Statutory reserve \$'000	Capital reserve \$'000	Share option reserve \$'000	Regulatory loss allowance reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Company</b>							
At 1 January 2024	891,578	822,015	2,307	2,090	15,135	323,492	2,056,617
Issue of shares under share option scheme	59						59
Value of employee services received for issue of share options				305			305
Value of employee services transferred for share options exercised or lapsed	4			(451)		447	–
Final dividend of 9 cents per share (tax exempt one-tier) paid in respect of year 2023						(40,371)	(40,371)
Interim dividend of 3.75 cents per share (tax exempt one-tier) paid in respect of year 2024						(16,821)	(16,821)
Adjustment under MAS 811					5,638	(5,638)	–
Comprehensive income for the year						103,930	103,930
Transfer to Statutory reserve		26,021				(26,021)	–
At 31 December 2024	891,641	848,036	2,307	1,944	20,773	339,018	2,103,719
At 1 January 2025	891,641	848,036	2,307	1,944	20,773	339,018	2,103,719
Issue of shares under share option scheme	2,671						2,671
Value of employee services received for issue of share options				262			262
Value of employee services transferred for share options exercised or lapsed	163			(329)		166	–
Final dividend of 10 cents per share (tax exempt one-tier) paid in respect of year 2024						(44,865)	(44,865)
Interim dividend of 2.75 cents per share (tax exempt one-tier) paid in respect of year 2025						(12,349)	(12,349)
Adjustment under MAS 811					8,297	(8,297)	–
Comprehensive income for the year						62,606	62,606
Transfer to Statutory reserve		15,680				(15,680)	–
At 31 December 2025	894,475	863,716	2,307	1,877	29,070	320,599	2,112,044

The statutory reserve is maintained in compliance with the provisions of Section 18 of the Finance Companies Act 1967.

The accompanying notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
<b>Operating activities</b>			
Profit for the year		62,716	104,083
Adjustments for:-			
Impact of accrual of interest income		2,654	1,871
Impact of accrual of interest expense		(27,401)	(15,978)
(Reversal)/allowances for impairment loss on loans, advances and receivables		(4,121)	258
Interest expense on lease liabilities	8	1,273	1,254
Interest expense on borrowings	7	23	102
Depreciation of property, plant and equipment	16	9,293	8,495
Value of employee services received for issue of share options		262	305
Loss on disposal of property, plant and equipment		5	–
Income tax expense	23	12,789	20,681
		57,493	121,071
Changes in working capital:-			
Loans, advances and receivables		(426,587)	(8,569)
Other receivables, deposits and prepayments		874	9,576
Singapore Government debt securities, MAS Bills and MAS Floating Rate Note ("FRN")		41,831	(67,094)
Deposits and balances of customers		(1,278)	(347,669)
Trade and other payables		160,116	2,964
Cash used in operations		(167,551)	(289,721)
Income taxes paid		(19,057)	(17,552)
<b>Cash flows used in operating activities</b>		<b>(186,608)</b>	<b>(307,273)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(3,795)	(1,868)
<b>Cash flows used in investing activities</b>		<b>(3,795)</b>	<b>(1,868)</b>
<b>Financing activities</b>			
Payment for lease liabilities	8	(6,151)	(6,061)
Proceeds from exercise of share options		2,671	59
Proceeds from borrowings	7	–	10,564
Repayment of borrowings	7	(743)	(27,037)
Interest paid	7, 8	(1,296)	(1,356)
Dividends paid		(57,214)	(57,192)
<b>Cash flows used in financing activities</b>		<b>(62,733)</b>	<b>(81,023)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(253,136)</b>	<b>(390,164)</b>
Cash and cash equivalents at beginning of year		1,108,971	1,499,135
<b>Cash and cash equivalents at end of year</b>	10	<b>855,835</b>	<b>1,108,971</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

*These notes form an integral part of the financial statements.*

The financial statements were authorised for issue by the Board of Directors on 25 February 2026.

## 1. DOMICILE AND ACTIVITIES

Hong Leong Finance Limited (the “Company”) is incorporated in the Republic of Singapore. The address of the Company’s registered office is 16 Raffles Quay #01-05 Hong Leong Building, Singapore 048581.

The directors consider Hong Leong Investment Holdings Pte. Ltd. (the “Ultimate Holding Company”), a company incorporated in the Republic of Singapore, to be the immediate and ultimate holding company of the Company.

The consolidated financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The principal activities of the Company are those relating to financing business and provision of corporate advisory services. The principal activities of the subsidiaries are the provision of nominee services.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### (c) Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 3(e) Impairment and Note 25, Financial Risk Management.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES

The application of the new or revised SFRS(I)s and related interpretations which were mandatory for the annual period beginning on 1 January 2025 does not have a material effect on the financial statements.

### (a) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Investments in subsidiaries are stated in the Company’s statement of financial position at cost less accumulated impairment losses.

### (b) Financial instruments

#### (i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss (“FVTPL”)) and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through other comprehensive income (“FVOCI”) – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Financial instruments (continued)

#### (ii) Classification and subsequent measurement (continued)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Financial instruments (continued)

#### (ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are initially measured at fair value less any directly attributable transaction cost. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprise deposits and balances of customers, borrowings (if any) and trade and other payables. Deposits and borrowings are the Group's sources of debt funding.

#### (iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group also derecognises certain assets when it charges off balances pertaining to the assets deemed to be uncollectible.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (v) Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity, net of any tax effects.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Financial instruments (continued)

#### (vi) Financial guarantees

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Loss allowances for ECLs for financial guarantees issued, if any, are presented in the Group's statement of financial position under 'Loans, advances and receivables'.

### (c) Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. The cost of self-constructed assets includes cost of materials and direct labour, other costs directly attributable to bringing the assets to a working condition for their intended use, estimated reinstatement costs when the Group has an obligation to remove the asset or restore the site and capitalised borrowing costs. Property, plant and equipment acquired through finance leases are carried at cost, less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The carrying amounts of material land and properties are reviewed annually to determine whether they are in excess of their recoverable amounts at the reporting date. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower value.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Property, plant and equipment (continued)

#### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in which case, the leased assets are depreciated over their estimated useful lives. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives (or lease term where shorter) for the current and comparative years are as follows:-

Properties other than freehold land	23 to 50 years
Office equipment, fixtures and fittings	3 to 5 years
Computer equipment	3 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### (d) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Leases (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in trade and other payables in the statement of financial position.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### (e) Impairment

#### (i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

#### *Loans, advances and receivables*

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Impairment (continued)

#### (i) Non-derivative financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers significant increase in credit risk when an asset is more than 30 days past due.

The Group considers loans, advances and receivables to be in default if they are classified as non-performing loans.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full; or
- the financial asset is more than 90 days past due.

#### *Other financial assets*

The Group considers financial guarantee ("FG") contracts to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full. The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The Group considers Singapore Government securities and bank deposits to have low credit risk when their credit risk rating is equivalent to "investment grade" assigned by internationally recognised external credit rating agencies.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### *Modified financial assets*

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 3b(iii).

#### *Measurement of ECLs*

The 3 main components used to measure ECLs are:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

The components are generally derived from internally developed statistical models using historical data, adjusted for forward-looking information. The ECL model was refined in 2025 with key enhancements including PD re-segmentation by borrower and product types, while differentiating the PDs to the various arrears bucket.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Impairment (continued)

#### (i) Non-derivative financial assets (continued)

##### *Probability of default*

The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instruments, respectively, based on conditions existing at the reporting date and future economic conditions that affect credit risk.

The PD is derived using historical default rates adjusted for forward-looking information and reflecting current portfolio composition and market data.

For portfolios without sufficient default data, forward-looking proxy PDs from external credit agencies are used.

##### *Loss given default*

LGD is the percentage of exposure the Group might lose in the event the borrower defaults. The Group adopts three approaches for LGD:-

- Historical write-off;
- Collateral hair-cut; and
- Proxy LGD.

Historical write-off is calculated for portfolios with sufficient default data. For portfolio without sufficient default data, collateral hair-cut approach or Proxy LGD is used.

##### *Exposure at default*

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

To compute the final ECL, the Group applies forward-looking adjustments and management overlay, taking into account past events, current conditions and future macroeconomic conditions. Forward-looking scenario that takes into account stressed economic condition is incorporated. In 2025, the weightage for stress scenario increased to reflect the economic uncertainty due to US tariff hike as management overlay.

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FG are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FG less the cumulated income recognised.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Impairment (continued)

#### (i) Non-derivative financial assets (continued)

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (f) Employee benefits

#### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

#### (ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Employee benefits (continued)

#### (iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

When share options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital and the grant date fair value is transferred from share option reserve to share capital. The grant date fair value of share options that lapse or expire is transferred from share option reserve to accumulated profits.

The fair value of employee share options is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the options (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

### (g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions determined for the long term are arrived at after discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability with the unwinding of the discount subsequently recognised as finance cost.

### (h) Recognition of income and expense

#### (i) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash receipts and payments through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently unless contractually adjusted.

The calculation of the effective interest rate includes fees, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include interest on financial assets and liabilities at amortised cost on an effective interest rate basis and gains and losses on hedging instruments that are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Recognition of income and expense (continued)

#### (i) Interest (continued)

Where charges are added to the principal financed at the commencement of the period, the general principle adopted for crediting income to profit or loss is to spread the income over the period in which the repayments are due using the following bases for the various categories of financing business:-

#### *Income earned on hire purchase and leasing*

Term charges on hire purchase and leasing transactions are accounted for using the Rule of 78 (sum of digits) method. The balance of such term charges at the financial year end is carried forward as unearned charges.

#### *Income earned on loans*

Interest is charged on either an annual rest, monthly rest or daily basis and credited to profit or loss in the period to which it relates.

#### *Income earned on trade finance and factoring accounts*

Interest is charged principally on a monthly rest basis.

#### *Income from debt securities*

Interest income from debt securities with a fixed maturity is recognised as it accrues.

#### *Income from bank deposits*

Interest income from bank deposits is accrued on a time-apportioned basis.

#### *Expense on deposits and balances of customers and interest-bearing borrowings*

Interest expense is accrued on a time-apportioned basis.

#### (ii) Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fee and commission income are recognised as the related services are performed.

Other fee and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

#### (iii) Offsetting

Gains and losses arising from a group of similar transactions are presented on a net basis.

### (i) Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received. Grants that compensate the Group for expenses incurred are recognised in profit or loss as an offset against related expenses in the periods in which the expenses are recognised.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:-

- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### Global minimum top-up tax

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Ultimate Holding Company's group entities operate. The Ultimate Holding Company's group entities are in scope of the enacted or substantively enacted legislation. The Ultimate Holding Company will perform the assessment of the potential exposure to Pillar Two income taxes and the impact of the Pillar Two legislation on the financials of its group entities.

The Ultimate Holding Company has determined that the global minimum top-up tax is an income tax in the scope of SFRS(I)1-12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

### (k) Earnings per share

The Group presents basic and diluted earnings per share data for its shares. Basic earnings per share is calculated by dividing the profit or loss after tax attributable to owners of the Company by the weighted average number of shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss after tax attributable to owners and the weighted average number of shares outstanding for the effects of all dilutive potential shares, which comprise shares under option granted to employees.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (l) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The majority of the revenue for the Group is from the same business segment. Its principal activities relate to financing business augmented by secondary non-lending activities such as provision of corporate advisory services and provision of nominee services. All activities are carried out in the Republic of Singapore. Revenue in respect of these activities is presented in Notes 18 and 19.

### (m) New accounting standards and interpretations not yet adopted

A number of new accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. Except for these disclosed below, the new standards, interpretations and amendments to standards are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position. The Group has not early-adopted these new or amended standards in preparing these financial statements.

#### SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

## 4. CAPITAL AND RESERVES

### Share capital

	Note	Company	
		2025 Number of shares	2024 Number of shares
Fully paid shares, with no par value:-			
At 1 January		448,568,933	448,543,933
Issue of shares under share option scheme	5	1,118,375	25,000
At 31 December		449,687,308	448,568,933

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 4. CAPITAL AND RESERVES (CONTINUED)

### Share capital (continued)

In 2025, pursuant to the Hong Leong Finance Share Option Scheme 2001 ("Share Option Scheme"), the Company issued new shares fully paid in cash as follows:-

Exercise price	Company	
	2025 Number of shares	2024 Number of shares
\$2.31	258,000	3,000
\$2.38	165,500	22,000
\$2.34	126,500	–
\$2.23	58,000	–
\$2.58	9,000	–
\$2.45	174,500	–
\$2.48	176,875	–
\$2.44	150,000	–
	<b>1,118,375</b>	25,000

The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### Reserves

	Group and Company	
	2025 \$'000	2024 \$'000
Statutory reserve	863,716	848,036
Capital reserve	2,307	2,307
Share option reserve	1,877	1,944
Regulatory loss allowance reserve	29,070	20,773
	<b>896,970</b>	873,060

The statutory reserve is maintained in compliance with the provisions of Section 18 of the Finance Companies Act 1967.

The capital reserve comprises premium on issue of bonds with warrants and surplus on liquidation of subsidiaries.

The share option reserve comprises the cumulative value of employee services received for the issue of share options net of transfers of the grant date fair value of share options to share capital and accumulated profits upon the exercise and lapse/expiry of share options respectively.

The regulatory loss allowance reserve is maintained in compliance with Monetary Authority of Singapore Notice 811 to maintain additional loss allowance through an appropriation of its accumulated profits when the Accounting Loss Allowance under SFRS(I) 9 falls below the Minimum Regulatory Allowance.

Details of movements in reserves are shown in the consolidated statement of changes in equity and statement of changes in equity.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 4. CAPITAL AND RESERVES (CONTINUED)

### Reserves (continued)

#### Dividends

After the reporting date, the Directors proposed a final dividend of 6.15 cents per share, tax exempt one-tier, amounting to \$27,656,000 (2024: 10 cents per share, tax exempt one-tier, amounting to \$44,865,000) when estimated based on the number of shares in issue as at the reporting date. The dividend has not been recognised in the financial statements. The proposed final dividend is in addition to an interim dividend of 2.75 cents per share, tax exempt one-tier, amounting to \$12,349,000 (2024: 3.75 cents per share, tax exempt one-tier, amounting to \$16,821,000) paid on 5 September 2025 (2024: 5 September 2024).

## 5. EMPLOYEE SHARE OPTIONS

The Share Option Scheme was approved and adopted by members at an Extraordinary General Meeting held on 31 January 2001 for an initial duration of 10 years (from 31 January 2001 to 30 January 2011). The Share Option Scheme was extended at the Annual General Meeting of the Company held on 23 April 2010 for a further period of 10 years from 31 January 2011 to 30 January 2021. At the Company's Annual General Meeting held on 25 June 2020, the shareholders approved the second extension of the duration of the Share Option Scheme for another period of 10 years from 31 January 2021 to 30 January 2031.

Information regarding the Share Option Scheme is as follows:-

- The subscription price for each share under option is fixed by the Share Option Scheme Committee and to date has been at a price equal to the average of the last dealt prices for one share in the capital of the Company, as determined by reference to the daily official list made available by the Singapore Exchange Securities Trading Limited, for the 3 consecutive trading days immediately preceding the date of grant, subject to the rules of the Share Option Scheme.
- Each option is exercisable, in whole or in part, during the option period applicable to that option subject to any conditions, including a vesting schedule, that may be imposed by the Share Option Scheme Committee in relation to any shares comprised in that option.
- All options are settled by delivery of shares upon receipt of the exercise price in cash.
- The options granted to Group Employees and Parent Group Employees expire 10 years from the date of grant. The options granted to Non-Group Employees expire 5 years from the date of grant.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 5. EMPLOYEE SHARE OPTIONS (CONTINUED)

Movements in the number of share options and their related weighted average exercise prices are as follows:-

	Weighted average exercise price 2025 \$	Number of options 2025 '000	Weighted average exercise price 2024 \$	Number of options 2024 '000
At 1 January	2.47	16,444	2.49	16,170
Granted	2.62	3,004	2.44	2,793
Not accepted	2.62	(500)	2.44	(452)
Lapsed	2.43	(1,124)	2.58	(2,042)
Exercised	2.39	(1,118)	2.37	(25)
At 31 December	2.50	16,706	2.47	16,444
Exercisable at 31 December	2.48	13,687	2.48	13,553

The options outstanding at 31 December 2025 have an exercise price in the range of \$2.23 to \$2.62 (2024: \$2.23 to \$2.62) and a weighted average remaining contractual life of 6.1 years (2024: 6.3 years).

The weighted average share price at the date of exercise for share options exercised in 2025 was \$2.39 (2024: \$2.37).

The fair value of services received in return for share options granted is measured based on the grant date fair value of share options. The grant date fair value of the share options is measured using a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is estimated by considering historic average share price volatility.

There are no market and non-market performance conditions associated with the share option grants. Service conditions are not taken into account in the measurement of fair value of the services to be received at the grant date.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 5. EMPLOYEE SHARE OPTIONS (CONTINUED)

The inputs used in the measurement of the fair values at grant date of the share options are as follows:-

*Fair value of share options and assumptions*

Date of grant of options	23.9.2015	23.9.2016	21.9.2017	25.9.2018	23.9.2019	23.9.2020	22.9.2021	21.9.2022	20.9.2023	17.9.2024	16.9.2025
Fair value at grant date	\$0.17	\$0.13	\$0.20	\$0.11	\$0.08	\$0.17	\$0.17	\$0.19	\$0.10	\$0.11	\$0.10
Share price	\$2.30	\$2.22	\$2.60	\$2.58	\$2.60	\$2.30	\$2.37	\$2.46	\$2.50	\$2.45	\$2.62
Exercise price	\$2.34	\$2.23	\$2.61	\$2.58	\$2.62	\$2.31	\$2.38	\$2.45	\$2.48	\$2.44	\$2.62
Expected volatility	15.0%	14.8%	14.8%	13.1%	12.9%	15.7%	15.7%	14.5%	13.2%	12.7%	12.5%
Expected option life	5.9 to 10 years	6.0 to 10 years	5.9 to 10 years	5.9 to 10 years	5.9 to 10 years	6.1 to 10 years	6.3 to 10 years				
Expected dividend yield	4.4%	4.5%	3.9%	5.4%	5.8%	3.3%	3.8%	4.9%	6.7%	5.2%	4.9%
Risk-free interest rate (based on government bonds)	2.3 to 2.7%	1.4 to 1.8%	1.7 to 2.1%	2.4 to 2.6%	1.6 to 1.7%	0.5 to 0.9%	1.0 to 1.4%	3.2%	3.3 to 3.4%	2.3 to 2.4%	1.5 to 1.8%

Employee expenses:-

	2025 \$'000	2024 \$'000
Share options granted in		
2021	-	4
2022	7	21
2023	15	211
2024	172	69
2025	68	-
Total expense recognised as employee costs	262	305

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 5. EMPLOYEE SHARE OPTIONS (CONTINUED)

Details of the options granted under the Share Option Scheme on unissued shares of the Company at the end of the year are as follows:-

	(1)	(2)	(3)	(4)	(5)	(6)
<b>Date of grant of options</b>	23.9.2015	23.9.2016	21.9.2017	25.9.2018	23.9.2019	23.9.2020
Expiry date	22.9.2025	22.9.2026	20.9.2027	24.9.2028	22.9.2029	22.9.2030
Exercise price	\$2.34	\$2.23	\$2.61	\$2.58	\$2.62	\$2.31
Number of options outstanding at 1.1.2025	587,500	553,000	963,500	1,726,500	2,434,500	1,745,400
Options lapsed	(461,000)	(18,500)	(52,000)	(71,000)	(151,000)	(43,500)
Options exercised (1.1.2025 to 31.12.2025)	(126,500)	(58,000)	–	(9,000)	–	(258,000)
Number of options outstanding at 31.12.2025	–	476,500	911,500	1,646,500	2,283,500	1,443,900
Number of options exercisable at 1.1.2025	587,500	553,000	963,500	1,726,500	2,434,500	1,745,400
Number of options exercisable at 31.12.2025	–	476,500	911,500	1,646,500	2,283,500	1,443,900
Option exercise period of options outstanding at 31.12.2025						
23.9.2017 to 22.9.2026 vested on 23.9.2017		360,255				
vested on 23.9.2018		57,255				
vested on 23.9.2019		58,990				
21.9.2018 to 20.9.2027 vested on 21.9.2018			738,975			
vested on 21.9.2019			84,975			
vested on 21.9.2020			87,550			
25.9.2019 to 24.9.2028 vested on 25.9.2019				1,379,840		
vested on 25.9.2020				131,340		
vested on 25.9.2021				135,320		
23.9.2020 to 22.9.2029 vested on 23.9.2020					1,959,555	
vested on 23.9.2021					159,555	
vested on 23.9.2022					164,390	
23.9.2021 to 22.9.2030 vested on 23.9.2021						1,151,110
vested on 23.9.2022						144,210
vested on 23.9.2023						148,580

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 5. EMPLOYEE SHARE OPTIONS (CONTINUED)

	(7)	(8)	(9)	(10)	(11)
<b>Date of grant of options</b>	22.9.2021	21.9.2022	20.9.2023	17.9.2024	16.9.2025
Expiry date	21.9.2031	20.9.2032	19.9.2033	16.9.2034	15.9.2035
Exercise price	\$2.38	\$2.45	\$2.48	\$2.44	\$2.62
Number of options outstanding at 1.1.2025	1,217,980	1,909,280	2,986,500	2,320,000	–
Options granted	–	–	–	–	3,004,000
Options not accepted	–	–	–	–	(500,000)
Options lapsed	(53,480)	(91,280)	(114,625)	(67,500)	–
Options exercised (1.1.2025 to 31.12.2025)	(165,500)	(174,500)	(176,875)	(150,000)	–
Number of options outstanding at 31.12.2025	999,000	1,643,500	2,695,000	2,102,500	2,504,000
Number of options exercisable at 1.1.2025	1,217,980	1,761,550	2,562,725	–	–
Number of options exercisable at 31.12.2025	999,000	1,643,500	2,492,700	1,789,945	–
Option exercise period of options outstanding at 31.12.2025					
22.9.2022 to 21.9.2031 vested on 22.9.2022	831,165				
vested on 22.9.2023	82,665				
vested on 22.9.2024	85,170				
21.9.2023 to 20.9.2032 vested on 21.9.2023		1,369,135			
vested on 21.9.2024		135,135			
vested on 21.9.2025		139,230			
20.9.2024 to 19.9.2033 vested on 20.9.2024			2,296,350		
vested on 20.9.2025			196,350		
vesting on 20.9.2026			202,300		
17.9.2025 to 16.9.2034 vested on 17.9.2025				1,789,945	
vesting on 17.9.2026				153,945	
vesting on 17.9.2027				158,610	
16.9.2026 to 15.9.2035 vesting on 16.9.2026					2,172,685
vesting on 16.9.2027					163,185
vesting on 16.9.2028					168,130

## 6. DEPOSITS AND BALANCES OF CUSTOMERS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Fixed deposits	11,972,690	12,120,773	11,977,402	12,125,366
Savings deposits and other balances of customers	317,805	170,865	317,805	170,865
Current accounts and other deposits	8,492	8,627	8,492	8,627
Total deposits and balances of customers	12,298,987	12,300,265	12,303,699	12,304,858
Non-current	325,259	4,468	325,259	4,468
Current	11,973,728	12,295,797	11,978,440	12,300,390
Total	12,298,987	12,300,265	12,303,699	12,304,858

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 7. BORROWINGS

	Group and Company	
	2025	2024
	\$'000	\$'000
Borrowings from Enterprise Singapore		
– Due after 12 months	152	641
– Due within 12 months	554	808
<b>Total borrowings</b>	<b>706</b>	<b>1,449</b>

Borrowings from Enterprise Singapore represents unsecured advances from Enterprise Singapore under the Local Enterprise Finance Scheme (“LEFS”) and Extended Local Enterprise Finance Scheme (“ELEFS”) to finance LEFS and ELEFS borrowers. The interest rates and repayment periods vary in accordance with the type, purpose and security of the facilities granted under these schemes. Credit risks are shared with Enterprise Singapore.

Borrowings from MAS SGD Facility for ESG loans are secured by assignment of eligible loan agreements as collaterals under Enterprise Singapore’s Enhanced Enterprise Financing Scheme.

Borrowings from MAS SGD Term Facility are secured by debt securities as collaterals.

There are no bank borrowings, borrowings from MAS SGD Facility for ESG loans and borrowings from MAS SGD Term Facility as at 31 December 2025 (31 December 2024: \$Nil).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 7. BORROWINGS (CONTINUED)

### Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group and Company				Total
	Bank Borrowings	Borrowings from MAS SGD Term Facility	Borrowings from MAS SGD Facility (ESG)	Borrowings from Enterprise Singapore	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2025</b>					
Balance as at 1 January	–	–	–	1,449	1,449
Changes from financing cash flows					
Proceeds from borrowings	–	–	–	–	–
Repayment of borrowings	–	–	–	(743)	(743)
Interest paid	–	–	–	(23)	(23)
<b>Total changes from financing cash flows</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(766)</b>	<b>(766)</b>
Other changes					
Written off	–	–	–	–	–
Interest expense	–	–	–	23	23
<b>Total other changes</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>23</b>	<b>23</b>
<b>Balance as at 31 December</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>706</b>	<b>706</b>
<b>2024</b>					
Balance as at 1 January	–	–	15,389	2,533	17,922
Changes from financing cash flows					
Proceeds from borrowings	1,000	9,564	–	–	10,564
Repayment of borrowings	(1,000)	(9,564)	(15,389)	(1,084)	(27,037)
Interest paid	(1)	(28)	(28)	(45)	(102)
<b>Total changes from financing cash flows</b>	<b>(1)</b>	<b>(28)</b>	<b>(15,417)</b>	<b>(1,129)</b>	<b>(16,575)</b>
Other changes					
Written off	–	–	–	–	–
Interest expense	1	28	28	45	102
<b>Total other changes</b>	<b>1</b>	<b>28</b>	<b>28</b>	<b>45</b>	<b>102</b>
<b>Balance as at 31 December</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,449</b>	<b>1,449</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 8. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Due after 12 months				
Lease liabilities	33,975	37,906	33,975	37,906
Due within 12 months				
Interest payable	89,141	116,542	89,163	116,580
Other trade payables and accrued operating expenses	199,813	39,746	198,530	38,473
Other payables	1,782	1,731	1,695	1,649
Lease liabilities	6,365	5,991	6,365	5,991
	297,101	164,010	295,753	162,693
Total trade and other payables	331,076	201,916	329,728	200,599

Included in Other trade payables are amounts pending settlement for the purchase of MAS bills for the Group and the Company of \$159,625,000 (2024: \$Nil).

### Reconciliation of movements of liabilities to cash flows arising from financing activities

Lease Liabilities	Group and Company	
	2025 \$'000	2024 \$'000
Balance as at 1 January	43,897	40,851
Changes from financing cash flows		
Payment of lease liabilities	(6,151)	(6,061)
Interest paid	(1,273)	(1,254)
Total changes from financing cash flows	(7,424)	(7,315)
Other changes		
New leases	2,661	9,107
Interest expense	1,273	1,254
Derecognition of lease during the year	(67)	–
Total other changes	3,867	10,361
Balance as at 31 December	40,340	43,897

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 9. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group and Company			
	Assets		Liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade and other payables (including lease liabilities)	7,113	7,693	–	–
Loans, advances and receivables	–	–	4,942	3,532
Property, plant and equipment (including right-of-use assets)	–	–	7,080	7,751
Other items	–	–	2	1
<b>Net deferred tax assets/liabilities</b>	<b>7,113</b>	<b>7,693</b>	<b>12,024</b>	<b>11,284</b>

Movements in deferred tax assets and liabilities during the year are as follows:-

	Group and Company				
	At 1 January 2024 \$'000	Recognised in profit or loss (Note 23) \$'000	At 31 December 2024 \$'000	Recognised in profit or loss (Note 23) \$'000	At 31 December 2025 \$'000
<b>Deferred tax liabilities/(assets)</b>					
Trade and other payables (including lease liabilities)	(7,205)	(488)	(7,693)	580	(7,113)
Loans, advances and receivables	2,573	959	3,532	1,410	4,942
Property, plant and equipment (including right-of-use assets)	6,641	1,110	7,751	(671)	7,080
Other items	3	(2)	1	1	2
<b>Net deferred tax liabilities/(assets)</b>	<b>2,012</b>	<b>1,579</b>	<b>3,591</b>	<b>1,320</b>	<b>4,911</b>

Deferred tax assets relate primarily to timing differences in respect of provisions and loss allowances for doubtful debts expected to be realisable at a future date. Deferred tax liabilities relate primarily to differences arising between capital allowances granted and accumulated depreciation in respect of capital expenditure and other timing issues.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at banks and in hand	514,198	772,117	513,091	771,029
Less: Loss allowances				
At 1 January	72	82	72	82
Allowances reversed during the year	(60)	(10)	(60)	(10)
At 31 December	12	72	12	72
Cash at banks and in hand, net	514,186	772,045	513,079	770,957
Statutory deposit with the Monetary Authority of Singapore	341,649	336,926	341,649	336,926
Total	855,835	1,108,971	854,728	1,107,883

The statutory deposit with MAS relates to the mandatory minimum cash balance with MAS which is not available for use in the Group's day to day operations.

## 11. SINGAPORE GOVERNMENT DEBT SECURITIES AND MAS BILLS

	Group and Company	
	2025 \$'000	2024 \$'000
Singapore Government debt securities and MAS Bills		
– Within 12 months	1,365,701	1,387,186
– After 12 months	369,574	389,920
	1,735,275	1,777,106
Market value	1,742,847	1,778,545

Singapore Government debt securities and MAS bills are classified at amortised cost.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 12. LOANS, ADVANCES AND RECEIVABLES

	Group and Company	
	2025 \$'000	2024 \$'000
(a) Loans, advances and receivables at amortised cost		
Due after 12 months		
Loans, advances and hire purchase receivables	8,960,480	8,331,823
Less: Unearned charges and interest	107,859	97,530
	8,852,621	8,234,293
Less: Allowances for doubtful debts		
– Loans and advances	8,353	11,520
– Hire purchase receivables	1,912	1,599
	10,265	13,119
	8,842,356	8,221,174
Due within 12 months		
Loans, advances, factoring receivables and hire purchase receivables	3,326,885	3,512,226
Less: Unearned charges and interest	67,026	60,127
	3,259,859	3,452,099
Less: Allowances for doubtful debts		
– Loans, advances and factoring receivables	3,092	4,953
– Hire purchase receivables	689	594
	3,781	5,547
	3,256,078	3,446,552
Total loans, advances and receivables	12,098,434	11,667,726
(b) Allowances for doubtful debts		
Stage 3 loss allowances		
At 1 January	2,783	4,235
Net allowances made during the year	1,140	207
Receivables written off against allowances	(499)	(1,659)
At 31 December	3,424	2,783
Stages 1 & 2 loss allowances		
At 1 January	15,883	15,865
Net allowances made/(reversed) during the year	(5,261)	18
At 31 December	10,622	15,883
Total allowances for doubtful debts	14,046	18,666

In addition to the above, included in reversal or recovery of allowances for doubtful debts and other financial assets are net recoveries of bad debts amounting to \$74,000 (2024: \$532,000), as recorded in the Consolidated Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 12. LOANS, ADVANCES AND RECEIVABLES (CONTINUED)

(c) Hire purchase receivables are categorised as follows:-

	Group and Company					
	2025			2024		
	Receivables \$'000	Interest \$'000	Principal \$'000	Receivables \$'000	Interest \$'000	Principal \$'000
Due within 1 year	688,804	66,002	622,802	624,488	58,846	565,642
Due after 1 year but within 5 years	1,647,175	104,054	1,543,121	1,447,525	93,249	1,354,276
Due after 5 years	187,784	3,678	184,106	170,868	3,996	166,872
Total	2,523,763	173,734	2,350,029	2,242,881	156,091	2,086,790

The Company's leasing arrangements comprise hire purchase contracts mainly for motor vehicles and equipment.

## 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Interest receivables	5,500	8,154	5,500	8,154
Deposits	2,078	2,023	2,078	2,023
Prepayments	2,105	1,806	2,105	1,805
Other receivables	3,433	4,661	3,433	4,661
Less: Loss allowances				
At 1 January	33	73	33	73
Allowances made during the year	–	33	–	33
Receivables written off against allowances	–	(73)	–	(73)
At 31 December	33	33	33	33
Other receivables, net	3,400	4,628	3,400	4,628
Total	13,083	16,611	13,083	16,610
Non-current	2,104	2,038	2,104	2,038
Current	10,979	14,573	10,979	14,572
Total	13,083	16,611	13,083	16,610

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 14. SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Unquoted equity investments, at cost	535	535

Details of the subsidiaries are as follows:-

Name of Subsidiary	Principal place of business / Country of incorporation	Effective equity held by the Group	
		2025 %	2024 %
Hong Leong Finance Nominees Pte Ltd	Singapore	100	100
Singapore Nominees Private Limited	Singapore	100	100

KPMG LLP Singapore is the auditor of the subsidiaries.

## 15. INVESTMENTS (LONG-TERM)

	Group and Company	
	2025 \$'000	2024 \$'000
Unquoted equity securities	12	12
Less: Impairment losses at 1 January and 31 December	12	12
Net investments	–	–

Unquoted equity securities are classified as FVOCI.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT

	Group and Company							Total \$'000
	Freehold land \$'000	Freehold buildings \$'000	Leasehold buildings \$'000	Office equipment, fixtures and fittings \$'000	Computer equipment \$'000	Motor vehicles \$'000	Work-In-Progress \$'000	
<b>Cost</b>								
At 1 January 2024	50	2,938	105,817	14,147	10,356	538	3,642	137,488
Additions	–	–	9,107	221	801	–	846	10,975
Disposals	–	–	–	(238)	(526)	–	–	(764)
Transfer	–	–	–	–	4,078	–	(4,078)	–
At 31 December 2024	50	2,938	114,924	14,130	14,709	538	410	147,699
Additions	–	–	2,661	707	1,649	–	1,439	6,456
Derecognition	–	–	(117)	–	–	–	–	(117)
Disposals	–	–	–	(354)	(726)	–	–	(1,080)
Transfer	–	–	–	–	110	–	(110)	–
At 31 December 2025	50	2,938	117,468	14,483	15,742	538	1,739	152,958
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2024	–	1,958	50,240	13,641	10,115	538	–	76,492
Depreciation charge for the year	–	60	7,083	183	1,169	–	–	8,495
Disposals	–	–	–	(238)	(526)	–	–	(764)
At 31 December 2024	–	2,018	57,323	13,586	10,758	538	–	84,223
Depreciation charge for the year	–	59	7,143	198	1,893	–	–	9,293
Derecognition	–	–	(52)	–	–	–	–	(52)
Disposals	–	–	–	(349)	(726)	–	–	(1,075)
At 31 December 2025	–	2,077	64,414	13,435	11,925	538	–	92,389
<b>Carrying amount</b>								
At 1 January 2024	50	980	55,577	506	241	–	3,642	60,996
At 31 December 2024	50	920	57,601	544	3,951	–	410	63,476
At 31 December 2025	50	861	53,054	1,048	3,817	–	1,739	60,569

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Properties held at 31 December are as follows:-

		Group and Company	
		2025 \$'000	2024 \$'000
<b>Freehold Land and Buildings</b>			
(1)	Property with carrying amount more than \$500,000 to \$1,000,000 comprises 1 shop unit held as branch premises.	731	757
(2)	Properties with carrying amounts up to \$500,000 each comprise 2 shop units held as branch premises.	180	213
	Total	911	970
<b>Leasehold Buildings</b>			
(1)	Properties with carrying amounts exceeding \$1,000,000 each are as follows:-		
(a)	A shop unit at Block 725 Clementi West Street 2 #01-216, Singapore, comprising 3,832 sq. ft. on a 85-year lease commencing November 1995 held as branch premises.	1,111	1,168
(b)	A shop unit at Block 520 Lorong 6 Toa Payoh #02-54, Singapore, comprising 1,195 sq. ft. on a 99-year lease commencing May 2002 held as branch premises.	1,090	1,132
(c)	A shop unit at Block 134 Jurong Gateway Road #01-313, Singapore, comprising 2,669 sq. ft. on a 91-year lease commencing April 1993 held as branch premises.	6,265	6,441
(d)	A shop unit at Block 531 Upper Cross Street #01-50, Singapore, comprising 1,098 sq. ft. on a 83-year lease commencing July 1996 held as branch premises.	3,075	3,147
(2)	Properties with carrying amounts more than \$500,000 to \$1,000,000 each comprise 4 (2024: 4) shop units held as branch premises.	2,572	2,706
(3)	Properties with carrying amounts up to \$500,000 each comprise 6 (2024: 6) shop units held as branch premises and 4 industrial units used as warehousing facilities.	1,532	1,721
	Total	15,645	16,315

Property, plant and equipment includes right-of-use assets of \$37.4 million (2024: \$41.3 million) related to leasehold buildings.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 17. ACCEPTANCES, GUARANTEES AND OTHER OBLIGATIONS ON BEHALF OF CUSTOMERS

These are commitments entered into by the Group and the Company on behalf of customers for which customers have corresponding obligations under their contracts with the Group and the Company, and are in respect of the following:-

	Group and Company	
	2025	2024
	\$'000	\$'000
Guarantees	449	449
Total	449	449

These contingent liabilities are not secured on any of the Group's assets.

## 18. NET INTEREST INCOME/HIRING CHARGES

	Group	
	2025	2024
	\$'000	\$'000
<i>Interest income/hiring charges</i>		
Loans, advances and receivables	383,749	504,816
Deposits placed	18,767	28,748
Singapore Government debt securities, MAS bills and MAS FRN	42,191	59,730
Total interest income/hiring charges	444,707	593,294
<i>Interest expense</i>		
Deposits and balances of customers	274,838	366,886
Borrowings	23	102
Lease liabilities	1,273	1,254
Total interest expense	276,134	368,242
Net interest income/hiring charges	168,573	225,052

## 19. FEE AND COMMISSION INCOME

	Group	
	2025	2024
	\$'000	\$'000
Fee and commission income arising from:-		
Loans and advances	14,073	7,538
Non-lending activities	613	556
Others	11	11
Total	14,697	8,105

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 20. OTHER OPERATING INCOME

	Group	
	2025	2024
	\$'000	\$'000
Loss on disposal of plant and equipment	(5)	-
Other operating income	175	126
Total	170	126

## 21. STAFF COSTS

	Group	
	2025	2024
	\$'000	\$'000
Short-term employee benefits	73,602	73,029
CPF contributions to defined contribution plans	7,995	8,127
Share-based payments	262	305
Total	81,859	81,461

## 22. OTHER OPERATING EXPENSES

	Group	
	2025	2024
	\$'000	\$'000
Audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	469	470
Non-audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	201	60
Operating lease expenses	309	235
IT-related expenses	4,586	3,444
Other expenses	15,473	14,638
Total	21,038	18,847

Included in other expenses are fee and commission expenses arising from loans, advances and receivables amounting to \$1,667,000 (2024: \$475,000).



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT

### (a) Overview

Risk is an inherent part of the Group's business activities. Managing risks is therefore integral to the Group's business strategy and continuing profitability. The objective is to manage businesses and its related risks in a way that creates balanced and sustainable value for the Group's customers, shareholders and the community. Where risk is assumed, it is within a calculated and controlled framework; and is supported by a strong risk culture and risk management approach. As the business activities involve the use of financial instruments, the Group has exposure to the following risks:-

- (i) credit risk
- (ii) liquidity risk
- (iii) interest rate risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks, and the Group's management of capital. Details of the management of strategic and operational risks are disclosed in the Risk Management Report.

#### *Risk management framework*

The Group's risk management framework provides the principles and guidance for our risk management activities. The Board of Directors has overall responsibility for determining the type and level of business risks that the Group undertakes to achieve its corporate objectives. To assist the Board in fulfilling its duties, the Board Risk Committee ("BRC"), a dedicated risk committee at board level oversees and reports to the Board on matters relating to the risk function of the Group. The BRC reviews the adequacy and effectiveness of the risk management framework and approves the risk management policies. Management, through its Management Risk Committee and Assets and Liabilities Committee, is accountable to the BRC and Board for ensuring the effectiveness of the risk management framework. A risk management team is accountable to the BRC for maintaining an effective control environment that reflects established risks appetite and business objectives. The risk management team is independent of the business units, and performs the role of reviewing and implementing risk management policies, guidelines and procedures.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to regularly monitor risks and adherence to limits. Risk management policies and guidelines are reviewed regularly to reflect changes in market conditions, products and services offered, and emerging best practices. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee reviews the effectiveness of the financial reporting process and material internal controls with the assistance of internal audit.

### (b) Credit risk

Credit risk is the potential financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers. Other than loans and advances, the Group's investment in debt securities comprises Singapore Government debt securities and MAS Bills, which are held to meet liquidity and statutory reserve requirements. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure. Credit risk concentration is addressed by setting appropriate credit portfolio limits and monitoring its exposures against the limits on a regular basis.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

#### *Management of credit risk*

The Group has clearly defined credit guidelines for the approval and management of credit risk. Credit risk is managed to achieve sustainable and superior risk-reward performance whilst maintaining exposures within acceptable risk appetite parameters. Credit risk analysis focuses on ensuring that credit risks are identified in order that a balanced assessment can be made accordingly. Credit exposures and limits are managed to align with the Group's risk appetite, to maintain the target business mix and that there is no undue risk concentration. Credit concentration limits are reviewed on a regular basis after taking into account business, economic, financial and regulatory environments.

The Board of Directors has delegated the management of credit risk oversight to its BRC whilst reserving for itself and various committees approval authority for exposures exceeding pre-set limits. Risk Management and Credit Control departments are responsible for management of the Group's credit risk, including:-

- (i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- (ii) Monitoring the Group's loans portfolio and concentration risk exposures.
- (iii) Reviewing and assessing credit risk.
- (iv) Maintaining the Group's risk gradings.
- (v) Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Credit stress testing forms an integral part of the credit portfolio analysis. It is conducted periodically to assess the developments in the current operating environment that are relevant to borrower segments as well as to determine the impact of staging migration and collateral shocks to the Capital Adequacy Ratio. This enables the Group to identify potentially risky portfolio segments, and plan preventive actions, where applicable.

#### *Environmental, Social and Governance Factors*

The Group incorporates Responsible Financing practices into the business model when deciding on credit extensions to corporate borrowers. This is done as part of the adoption of the Guidelines on Responsible Financing issued by the Association of Banks in Singapore. The Group implements an Environmental, Social and Governance ("ESG") Risk Assessment tool to evaluate customers from industries with elevated ESG risk profiles. This risk assessment tool is to ensure that material ESG matters are considered for new borrowing customers, new credit applications and periodic reviews.

#### *Exposure to credit risk*

The maximum exposure to credit risk is represented by the carrying amount of the financial assets in the statements of financial position, reduced by the value of the collateral held.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Loans and advances to customers can be analysed as follows:-

	Group and Company			Total \$'000
	12-month expected credit loss Not credit- impaired \$'000	Lifetime expected credit loss Not credit- impaired \$'000	Lifetime expected credit loss Credit- impaired \$'000	
<b>2025</b>				
Performing accounts				
– neither past due nor impaired	11,927,523	35,175	–	11,962,698
– past due but not impaired	61,525	37,260	–	98,785
Substandard	–	–	48,228	48,228
Loss	–	–	2,769	2,769
Gross amount	11,989,048	72,435	50,997	12,112,480
Stage 1 & 2 loss allowances	(10,070)	(552)	–	(10,622)
Stage 3 loss allowances	–	–	(3,424)	(3,424)
Carrying amount	11,978,978	71,883	47,573	12,098,434
<b>2024</b>				
Performing accounts				
– neither past due nor impaired	11,372,127	174,814	–	11,546,941
– past due but not impaired	61,239	25,935	–	87,174
Substandard	–	–	50,537	50,537
Loss	–	–	1,740	1,740
Gross amount	11,433,366	200,749	52,277	11,686,392
Stage 1 & 2 loss allowances	(15,719)	(164)	–	(15,883)
Stage 3 loss allowances	–	–	(2,783)	(2,783)
Carrying amount	11,417,647	200,585	49,494	11,667,726

There are no loans and advances graded as doubtful as at 31 December 2025 and 2024.

*Impaired:* when the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the transaction.

*Past due but not impaired:* when contractual interest or principal payments are past due by not more than three months and the Group believes that specific impairment is not appropriate on the basis of the security available and/or the stage of collection. Collective allowances have been set aside on a portfolio basis.

*Allowances for doubtful debts:* represents the Group's estimate of incurred losses in its loan portfolio, and comprises principally a specific loss component relating to individually significant exposures and a collective loss component established for groups of homogeneous assets not subject to individual assessment for impairment.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

*Write-off policy:* The Group writes off wholly or partially loan balances (together with any related allowances for doubtful debts) when the Group determines that they are uncollectible. This determination is reached after considering information such as the occurrence of a deterioration in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to repay the entire exposure.

Set out below is an analysis of the gross and net (of allowances for doubtful debts) amounts of individually impaired loans and advances to customers by risk grade.

	Amount net of individual allowances	
	Gross amount \$'000	\$'000
<b>31 December 2025</b>		
Substandard	48,228	47,573
Loss	2,769	–
Total	50,997	47,573
<b>31 December 2024</b>		
Substandard	50,537	49,494
Loss	1,740	–
Total	52,277	49,494

The Group normally holds collateral against loans and advances to customers. These are in the form of mortgage interests over property and ownership or other registered interests over assets. Estimates of fair value of collateral are assessed in each accounting period prior to determination of individual allowances.

An estimate of the financial effect of collateral and other security enhancements held against loans and advances to customers on maximum credit risk exposure amounted to \$12,056,704,000 (2024: \$11,603,651,000). An estimate of the financial effect of collateral and other security enhancements held against credit-impaired loans and advances to customers on maximum credit risk exposure amounted to \$47,403,000 (2024: \$48,974,000). The Group's claim against such collateral has been limited to the obligations of the respective obligors.

The nature and carrying amount of collateral held against financial assets, obtained by taking possession of the collateral held as security, which remain held at the reporting date are as follows. Claims against such collateral are limited to the outstanding obligations.

	Group and Company	
	2025 \$'000	2024 \$'000
Motor vehicles	22	18
Properties	4,780	990
Total	4,802	1,008

The Group's collateral management framework is to pursue timely realisation of the collateral in an orderly manner.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:-

	Loans and advances to customers	
	2025 \$'000	2024 \$'000
Gross carrying amount	12,112,480	11,686,392
Concentration by sector		
Hire purchase/block discounting	2,350,029	2,086,790
Housing loans secured by property under finance	636,752	845,286
Other loans and advances:-		
Manufacturing	16,475	18,771
Building and construction	6,294,987	5,857,643
General commerce	59,496	26,994
Transport, storage and communication	129,634	162,443
Investment and holding companies	594,749	442,776
Professional and private individuals	139,479	148,556
Hotels, restaurants and boarding houses	1,485,219	1,628,848
Service companies	336,654	395,996
Others	69,006	72,289
Total	12,112,480	11,686,392

At the reporting date, there was no other significant concentration of credit risk.

Financial guarantees comprising guarantees issued by the Company to third parties on behalf of customers amounted to \$449,000 as at 31 December 2025 (2024: \$449,000). At the reporting date, the Company does not consider it probable that claims will be made against the Company under the guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Reconciliation of Loss Allowance  
Reconciliation of impairment provision

	12-month ECL Not credit- impaired \$'000	Lifetime ECL Not credit- impaired \$'000	Lifetime ECL Credit- impaired \$'000	Total \$'000
<b>2025</b>				
Balance as at 1 January	15,719	164	2,783	18,666
New financial assets originated or purchased	3,427	46	622	4,095
Financial assets repaid	(6,592)	(67)	(652)	(7,311)
Financial assets written off	–	–	(499)	(499)
Transfer to 12-month ECL – not credit-impaired	31	(31)	–	–
Transfer to Lifetime ECL – not credit-impaired	(417)	417	–	–
Transfer to Lifetime ECL – credit-impaired	(8)	(12)	20	–
Others	(2,090)	35	1,150	(905)
Balance as at 31 December	10,070	552	3,424	14,046
<b>2024</b>				
Balance as at 1 January	15,661	204	4,235	20,100
New financial assets originated or purchased	5,154	5	–	5,159
Financial assets repaid	(5,173)	(80)	(395)	(5,648)
Financial assets written off	–	–	(1,659)	(1,659)
Transfer to 12-month ECL – not credit-impaired	76	(42)	(34)	–
Transfer to Lifetime ECL – not credit-impaired	(111)	111	–	–
Transfer to Lifetime ECL – credit-impaired	(38)	(27)	65	–
Others	150	(7)	571	714
Balance as at 31 December	15,719	164	2,783	18,666

Write-off still under enforcement activity

The contractual amount of outstanding on loans and advances to customers that were written off during the reporting period, and are still subject to enforcement activity was \$0.5 million (2024: \$1.7 million).

Cash at banks and in hand

The Group and the Company held cash at banks and in hand of \$514,186,000 and \$513,079,000 respectively at 31 December 2025 (2024: \$772,045,000 and \$770,957,000 respectively). The cash at banks and in hand are mainly held with bank and financial institution counterparties, which are rated AA- to A-, based on various international credit ratings.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

Impairment on cash at banks and in hand has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash at banks and in hand have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash at banks and in hand to those used for loans and advances.

Statutory deposit with the Monetary Authority of Singapore

The Group and the Company held statutory deposit with the Monetary Authority of Singapore of \$341,649,000 at 31 December 2025 (2024: \$336,926,000) which is rated AAA, based on various international credit ratings. Hence, the Group considers that its statutory deposits have low credit risk and the amount of allowance is negligible.

Singapore Government Debts Securities and MAS Bills

The Group and the Company held Singapore Government debt securities and MAS bills of \$1,735,275,000 at 31 December 2025 (2024: \$1,777,106,000) which is rated AAA, based on various international credit ratings. Hence, the Group considers that its Singapore Government debt securities and MAS bills have low credit risk and the amount of allowance is negligible.

### (c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations and commitments resulting from its financial liabilities, or can only access these cash flow needs at excessive cost. The most common sources of liquidity risk arise from mismatches in the timing and value of cash inflows and outflows from the Group's statement of financial position exposures.

*Management of liquidity risk*

The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both business-as-usual and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This approach is established to meet the Group's current and prospective commitments in business-as-usual, and maintaining soundness in times of stress.

The Group is currently funded by equity and deposits. Liquidity risk arises from the management of the net funding position after accounting for the ongoing cash flows from assets and liabilities at various points in time.

Liquidity risk is managed in accordance with the Group's liquidity framework of policies, contingency funding plan, controls and limits approved by the BRC. This framework ensures that liquidity risk is monitored and managed in a manner that ensures sufficient sources of funds are available over a range of market conditions. Stress testing is conducted to assess and plan for the impact of the scenarios which may put the Group's liquidity at risk.

Liquidity risk is also mitigated through the diversification of the Company's loans and deposits and the close monitoring of exposure to minimise concentration risk.

Contingency funding plans, which guide the Group's actions and responses, are in place to address potential liquidity crises using early warning indicators. Crisis escalation procedures and various strategies including funding, communication and managerial actions to be taken have been developed to minimise the impact of liquidity crunch.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Liquidity risk (continued)

*Exposure to liquidity risk*

The Company monitors the liquidity limit, being a ratio of liquid assets (comprising cash balances with the Monetary Authority of Singapore ("MAS") and reserve assets principally comprising Singapore Government debt securities and MAS bills) to net liabilities (computed in accordance with MAS Notice 806) as at the reporting date and during the reporting period. Details of the ratio of liquid assets to net liabilities at the reporting date and during the reporting period were as follows:-

	Company	
	2025	2024
At 31 December	17.09%	19.00%
Average for the period	17.68%	18.61%
Maximum for the period	20.96%	20.23%
Minimum for the period	16.74%	16.73%

The table below shows the remaining contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity. The Group's expected cash flows on these instruments could vary significantly from this analysis. In particular, the carrying amount of deposits from customers is expected to remain stable; not all undrawn loan commitments are available to be drawn down immediately upon finalisation of legal documentation, due to factors like the progressive nature of the facility to be based on the stage of completion of work in progress.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Carrying amount \$'000	Gross nominal outflow \$'000	Up to 1 month \$'000	Over 1 month to 3 months \$'000	Over 3 months to 1 year \$'000	Over 1 year to 5 years \$'000	More than 5 years \$'000
<b>Group</b>							
<b>31 December 2025</b>							
<i>Non-derivative financial liabilities</i>							
Deposits and balances of customers	12,298,987	(12,455,230)	(1,930,739)	(2,856,804)	(7,335,936)	(331,751)	–
Borrowings from Enterprise Singapore	706	(731)	(127)	(92)	(355)	(157)	–
Other liabilities	197,736	(197,736)	(174,258)	(307)	(23,171)	–	–
Lease liabilities	40,340	(43,960)	(642)	(1,267)	(5,553)	(28,121)	(8,377)
	12,537,769	(12,697,657)	(2,105,766)	(2,858,470)	(7,365,015)	(360,029)	(8,377)
Financial guarantees	–	(449)	(449)	–	–	–	–
	12,537,769	(12,698,106)	(2,106,215)	(2,858,470)	(7,365,015)	(360,029)	(8,377)
Undrawn loan commitments	–	(1,679,013)	(1,257,157)	(421,856)	–	–	–
	12,537,769	(14,377,119)	(3,363,372)	(3,280,326)	(7,365,015)	(360,029)	(8,377)
<b>31 December 2024</b>							
<i>Non-derivative financial liabilities</i>							
Deposits and balances of customers	12,300,265	(12,539,182)	(1,781,760)	(3,660,983)	(7,091,895)	(4,544)	–
Borrowings from Enterprise Singapore	1,449	(1,475)	(130)	(127)	(566)	(652)	–
Other liabilities	39,459	(39,459)	(15,081)	–	(24,378)	–	–
Lease liabilities	43,897	(48,636)	(617)	(1,235)	(5,390)	(27,095)	(14,299)
	12,385,070	(12,628,752)	(1,797,588)	(3,662,345)	(7,122,229)	(32,291)	(14,299)
Financial guarantees	–	(449)	(449)	–	–	–	–
	12,385,070	(12,629,201)	(1,798,037)	(3,662,345)	(7,122,229)	(32,291)	(14,299)
Undrawn loan commitments	–	(1,549,501)	(1,161,091)	(388,410)	–	–	–
	12,385,070	(14,178,702)	(2,959,128)	(4,050,755)	(7,122,229)	(32,291)	(14,299)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Carrying amount \$'000	Gross nominal outflow \$'000	Up to 1 month \$'000	Over 1 month to 3 months \$'000	Over 3 months to 1 year \$'000	Over 1 year to 5 years \$'000	More than 5 years \$'000
<b>Company</b>							
<b>31 December 2025</b>							
<i>Non-derivative financial liabilities</i>							
Deposits and balances of customers	12,303,699	(12,460,000)	(1,931,116)	(2,856,804)	(7,340,329)	(331,751)	–
Borrowings from Enterprise Singapore	706	(731)	(127)	(92)	(355)	(157)	–
Other liabilities	196,366	(196,366)	(172,908)	(300)	(23,158)	–	–
Lease liabilities	40,340	(43,960)	(642)	(1,267)	(5,553)	(28,121)	(8,377)
	12,541,111	(12,701,057)	(2,104,793)	(2,858,463)	(7,369,395)	(360,029)	(8,377)
Financial guarantees	–	(449)	(449)	–	–	–	–
	12,541,111	(12,701,506)	(2,105,242)	(2,858,463)	(7,369,395)	(360,029)	(8,377)
Undrawn loan commitments	–	(1,679,013)	(1,257,157)	(421,856)	–	–	–
	12,541,111	(14,380,519)	(3,362,399)	(3,280,319)	(7,369,395)	(360,029)	(8,377)
<b>31 December 2024</b>							
<i>Non-derivative financial liabilities</i>							
Deposits and balances of customers	12,304,858	(12,543,894)	(1,782,129)	(3,660,983)	(7,096,238)	(4,544)	–
Borrowings from Enterprise Singapore	1,449	(1,475)	(130)	(127)	(566)	(652)	–
Other liabilities	38,105	(38,105)	(13,746)	–	(24,359)	–	–
Lease liabilities	43,897	(48,636)	(617)	(1,235)	(5,390)	(27,095)	(14,299)
	12,388,309	(12,632,110)	(1,796,622)	(3,662,345)	(7,126,553)	(32,291)	(14,299)
Financial guarantees	–	(449)	(449)	–	–	–	–
	12,388,309	(12,632,559)	(1,797,071)	(3,662,345)	(7,126,553)	(32,291)	(14,299)
Undrawn loan commitments	–	(1,549,501)	(1,161,091)	(388,410)	–	–	–
	12,388,309	(14,182,060)	(2,958,162)	(4,050,755)	(7,126,553)	(32,291)	(14,299)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Interest rate risk

Interest rate risk is the risk to the Group's earnings and capital arising from exposure to adverse movements in interest rates. Interest rate risk arises primarily from timing differences in the maturity (for fixed rate) and repricing (for floating rate) of assets and liabilities.

#### Management of interest rate risk

The overall objective of interest rate risk management is to manage current and future earnings sensitivity arising from various interest rate exposures and to secure stable and optimal net interest income over the short and long term within approved risk appetite. Interest rate risk exposures are measured and monitored using a combination of repricing gap, present value of 1 basis point and income simulation modeling. The BRC approves policies, strategies and limits in the management of interest rate risk. Policies and limits are reviewed regularly to ensure that they remain relevant.

#### Exposure to interest rate risk

The Company does not hold a trading portfolio. The principal risk to which its non-trading portfolio is exposed arises from the risk of fluctuations in the future cash flows or fair values of financial instruments due to changes in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

Besides Singapore Government debt securities and MAS bills intended to be held to maturity, the Group's exposure to interest rate risk relates primarily to the Group's loan portfolio, deposits and any interest-bearing borrowings. Interest rate risk arises when these assets and liabilities mature or reprice at different times or in differing amounts, or when market conditions dictate the extent of repricing possible. The Group manages this risk through diversity in its loan and deposit portfolio, and maintains a capital adequacy ratio in excess of statutory requirements.

#### Repricing analysis

The following table indicates the periods in which the financial instruments reprice or contractually mature, whichever is the earlier.

Actual repricing dates may differ from contractual repricing dates due to prepayment of loans or early withdrawal of deposits.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Interest rate risk (continued)

	Note	Group				Non-interest bearing
		Carrying amount	Up to 1 year	Over 1 to 5 years	After 5 years	
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2025</b>						
<b>Financial assets</b>						
Loans, advances and receivables	12	12,098,434	9,211,322	2,669,731	217,381	–
Singapore Government debt securities and MAS bills	11	1,735,275	1,365,701	369,574	–	–
Cash at banks and in hand	10	514,186	438,305	–	–	75,881
Statutory deposit with the Monetary Authority of Singapore	10	341,649	–	–	–	341,649
Other assets		10,978	–	–	–	10,978
<b>Financial liabilities</b>						
Deposits and balances of customers	6	12,298,987	11,860,206	325,259	–	113,522
Borrowings from Enterprise Singapore	7	706	554	152	–	–
Other liabilities	8	290,736	–	–	–	290,736
Lease liabilities	8	40,340	–	–	–	40,340
<b>31 December 2024</b>						
<b>Financial assets</b>						
Loans, advances and receivables	12	11,667,726	9,244,860	2,221,879	200,987	–
Singapore Government debt securities and MAS bills	11	1,777,106	1,387,186	389,920	–	–
Cash at banks and in hand	10	772,045	711,864	–	–	60,181
Statutory deposit with the Monetary Authority of Singapore	10	336,926	–	–	–	336,926
Other assets		14,805	–	–	–	14,805
<b>Financial liabilities</b>						
Deposits and balances of customers	6	12,300,265	12,253,445	4,468	–	42,352
Borrowings from Enterprise Singapore	7	1,449	808	641	–	–
Other liabilities	8	158,019	–	–	–	158,019
Lease liabilities	8	43,897	–	–	–	43,897

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk (continued)

	Note	Company				Non-interest bearing \$'000
		Carrying amount \$'000	Up to 1 year \$'000	Over 1 to 5 years \$'000	After 5 years \$'000	
<b>31 December 2025</b>						
<b>Financial assets</b>						
Loans, advances and receivables	12	12,098,434	9,211,322	2,669,731	217,381	–
Singapore Government debt securities and MAS bills	11	1,735,275	1,365,701	369,574	–	–
Cash at banks and in hand	10	513,079	437,198	–	–	75,881
Statutory deposit with the Monetary Authority of Singapore	10	341,649	–	–	–	341,649
Other assets		10,978	–	–	–	10,978
<b>Financial liabilities</b>						
Deposits and balances of customers	6	12,303,699	11,864,918	325,259	–	113,522
Borrowings from Enterprise Singapore	7	706	554	152	–	–
Other liabilities	8	289,388	–	–	–	289,388
Lease liabilities	8	40,340	–	–	–	40,340
<b>31 December 2024</b>						
<b>Financial assets</b>						
Loans, advances and receivables	12	11,667,726	9,244,860	2,221,879	200,987	–
Singapore Government debt securities and MAS bills	11	1,777,106	1,387,186	389,920	–	–
Cash at banks and in hand	10	770,957	710,776	–	–	60,181
Statutory deposit with the Monetary Authority of Singapore	10	336,926	–	–	–	336,926
Other assets		14,805	–	–	–	14,805
<b>Financial liabilities</b>						
Deposits and balances of customers	6	12,304,858	12,258,038	4,468	–	42,352
Borrowings from Enterprise Singapore	7	1,449	808	641	–	–
Other liabilities	8	156,702	–	–	–	156,702
Lease liabilities	8	43,897	–	–	–	43,897

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk (continued)

### Sensitivity analysis

Interest rate sensitivity analyses are performed under various interest rate scenarios using simulation modeling where the sensitivity of projected net interest income is measured against changes in market interest rates. The projected impact on future net interest income before tax over the next twelve months from the close of the year resulting from a 100 basis points parallel shift in the yield curves applied to the year end position is a gain/(loss) of:-

	Group	
	2025 \$'000	2024 \$'000
+ 100 basis points parallel shift in yield curves	20,092	18,439
- 100 basis points parallel shift in yield curves	(25,169)	(20,987)

The above sensitivity analysis is illustrative only. It assumes that interest rates of all tenors move by the same amount and does not reflect the potential impact on net interest income of some rates changing while others remain unchanged. The analysis also assumes that all financial assets and liabilities run to contractual maturity without action by the Group to mitigate any impact of changes in interest rates.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, customer and market confidence and to sustain future development of the business. The Assets and Liabilities Committee reviews the adequacy of capital by monitoring the levels of major assets and liabilities taking into account the underlying risks of the Group's business and compliance with regulatory capital requirements. The Board of Directors monitors the level of dividends to shareholders.

### Regulatory capital

The Group maintains a capital adequacy ratio in excess of the prescribed ratio, expressed as a percentage of eligible total capital to total risk-weighted assets.

The Group's eligible total capital includes share capital, accumulated profits, statutory reserve, capital reserve and share option reserve. Risk-weighted assets are determined according to regulatory requirements that reflect the varying levels of risk attached to assets and off-balance sheet exposures.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Capital management (continued)

*Regulatory capital (continued)*

The Group's regulatory capital adequacy position at 31 December is as follows:-

	2025 \$'000	2024 \$'000
Share capital	894,475	891,641
Accumulated profits	285,620	269,963
Statutory reserve	848,036	822,015
Capital reserve	2,307	2,307
Share option reserve	1,944	2,090
<b>Eligible total capital</b>	<b>2,032,382</b>	1,988,016
<b>Risk-weighted assets</b>	<b>12,586,773</b>	12,221,176
<b>Capital adequacy ratio</b>	<b>16.1%</b>	16.3%

The Group has complied with all externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

## 26. FINANCIAL INSTRUMENTS

Accounting classifications and fair values

(a) Loans, advances and receivables and deposits and balances of customers

The fair value of fixed rate loans, advances and receivables and deposits and balances of customers, which will mature and reprice more than six months after the reporting date, has been determined by discounting the relevant cash flows using current interest rates for similar instruments at the reporting date. The carrying amounts of financial assets and financial liabilities with a maturity of six months or less (including other loans, advances and receivables, and other deposits/savings accounts) approximate their fair values.

(b) Singapore Government debt securities and MAS bills

Fair value is based on quoted market bid prices at the reporting date.

(c) Other financial assets and financial liabilities

The carrying amounts of other financial assets and financial liabilities with a maturity of less than one year (including other receivables, other deposits, cash, trade payables and other payables) are estimated to approximate their fair values in view of the short period to maturity.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 26. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (continued)

In accordance with the accounting policy on Financial Instruments, certain financial assets and financial liabilities are not carried at fair value in the statements of financial position as at 31 December. The aggregate net fair values of these financial assets and financial liabilities are disclosed in the following table:-

	Note	Group			
		Carrying amount 2025 \$'000	Fair value 2025 \$'000	Carrying amount 2024 \$'000	Fair value 2024 \$'000
<b>Financial assets</b>					
Loans, advances and receivables	12	12,098,434	12,127,123	11,667,726	11,654,782
Singapore Government debt securities and MAS bills	11	1,735,275	1,742,847	1,777,106	1,778,545
		<b>13,833,709</b>	<b>13,869,970</b>	13,444,832	13,433,327
<b>Financial liabilities</b>					
Deposits and balances of customers	6	(12,298,987)	(12,350,957)	(12,300,265)	(12,396,865)
		<b>1,534,722</b>	<b>1,519,013</b>	1,144,567	1,036,462

	Note	Company			
		Carrying amount 2025 \$'000	Fair value 2025 \$'000	Carrying amount 2024 \$'000	Fair value 2024 \$'000
<b>Financial assets</b>					
Loans, advances and receivables	12	12,098,434	12,127,123	11,667,726	11,654,782
Singapore Government debt securities and MAS bills	11	1,735,275	1,742,847	1,777,106	1,778,545
		<b>13,833,709</b>	<b>13,869,970</b>	13,444,832	13,433,327
<b>Financial liabilities</b>					
Deposits and balances of customers	6	(12,303,699)	(12,355,700)	(12,304,858)	(12,401,531)
		<b>1,530,010</b>	<b>1,514,270</b>	1,139,974	1,031,796

*Fair value hierarchy*

Fair value measurements for financial assets and financial liabilities by the levels in the fair value hierarchy are based on the inputs to valuation techniques. The different levels are defined as follows:-

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the asset or liability including prices of an item that is not identical.

*Group/Company financial assets and financial liabilities not carried at fair value but for which fair values are disclosed\**

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 26. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (continued)

The fair value of the portion of loans, advances and receivables being Level 3 instruments amounts to \$4.05 billion (2024: \$3.41 billion) against a carrying value of \$4.03 billion (2024: \$3.42 billion). Singapore Government debt securities and MAS bills are Level 1 instruments with fair value of \$1.74 billion (2024: \$1.78 billion). The portion of deposits and balances of customers being Level 2 instruments have a fair value of \$10.51 billion (2024: \$9.38 billion) against a carrying value of \$10.45 billion (2024: \$9.28 billion).

\* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature or frequent repricing and where the effect of discounting is immaterial.

## 27. COMMITMENTS

### (a) Capital commitments

At 31 December, the Group and the Company had outstanding capital commitments in respect of contracts to purchase property, plant and equipment amounting to \$2,475,000 (2024: \$2,394,000).

### (b) Undrawn loan commitments

Undrawn loan commitments comprise contractual obligations to provide credit facilities to customers which can either be for a fixed period or have no specific maturity but are cancellable by the Group subject to notice requirements.

At 31 December, the Group and the Company had undrawn loan commitments amounting to \$1,679,013,000 (2024: \$1,549,501,000).

## 28. RELATED PARTY TRANSACTIONS

The Company is considered to be a subsidiary of Hong Leong Investment Holdings Pte. Ltd. Transactions entered into by the Group and the Company with related parties (including members of the Hong Leong Investment Holdings Pte. Ltd. group) in the ordinary course of business from time to time and at market value, primarily comprise loans, deposits, provision of corporate advisory services, insurance transactions, property-related transactions, purchase/sale of property, management services, incidental expenses and/or other transactions relating to the business of the Group and the Company.

### Key Management Personnel Compensation

Key management personnel compensation comprised:-

	Group	
	2025	2024
	\$'000	\$'000
Short-term employee benefits	7,684	5,538
CPF contributions to defined contribution plans	62	31
Other operating expenses including principally directors' fees	1,838	1,819
Share-based payments	33	26
	<b>9,617</b>	<b>7,414</b>

During the year, three Senior Management members were newly identified as key management personnel and their remuneration has been included in the key management personnel compensation disclosed above.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Personnel Compensation (continued)

Directors' remuneration (inclusive of fees) included in key management personnel compensation amounted to \$4,940,000 (2024: \$4,796,000).

Key management personnel of the Company participate in the Share Option Scheme as described in Note 5. During the year, options to 340,000 (2024: 245,000) shares were granted to key management personnel. These share options are subject to a vesting schedule.

Options held by key management personnel at the end of the year (including share options granted prior to their appointment as key management personnel) are as follows:-

	2025	2024
Granted on		
23.9.2015	–	71,000
23.9.2016	102,500	71,000
21.9.2017	198,500	171,500
25.9.2018	310,000	271,500
23.9.2019	377,500	331,000
23.9.2020	349,000	309,000
22.9.2021	197,500	173,500
21.9.2022	336,000	244,500
20.9.2023	471,500	344,500
17.9.2024	335,500	245,000
16.9.2025	340,000	–

Options held by an Executive Director included in key management personnel at the end of the year are as follows:-

	2025	2024
Granted on		
21.9.2017	115,000	115,000
25.9.2018	156,000	156,000
23.9.2019	172,000	172,000
23.9.2020	163,000	163,000
22.9.2021	90,000	90,000
21.9.2022	127,500	127,500
20.9.2023	172,500	172,500
17.9.2024	122,500	122,500
16.9.2025	122,500	–

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

*Other Related Party Transactions*

Related party balances as at the reporting date and transactions during the financial year are as follows:-

	Holding Company \$'000	Group Fellow Subsidiaries and Associates of Holding Company \$'000	Key Management Personnel* \$'000
(a) Secured loans, advances and hire purchase receivables			
Outstanding balances:			
As at 1 January 2024	–	39	36,030
Increase	–	–	–
(Decrease)	–	(23)	(171)
As at 31 December 2024	–	16	35,859
Increase	–	–	<b>37,105</b>
(Decrease)	–	<b>(16)</b>	<b>(104)</b>
As at 31 December 2025	–	–	<b>72,860</b>
Undrawn loan commitments:			
As at 1 January 2024	–	–	–
Increase	–	–	–
(Decrease)	–	–	–
As at 31 December 2024	–	–	–
Increase	–	–	–
(Decrease)	–	–	–
As at 31 December 2025	–	–	–
(b) Stage 3 loss allowances			
As at 31 December 2024	–	–	–
As at 31 December 2025	–	–	–
(c) Other receivables, deposits and prepayment			
Outstanding balances:			
As at 1 January 2024	–	1,305	–
Increase	–	4	–
(Decrease)	–	(1)	–
As at 31 December 2024	–	1,308	–
Increase	–	–	–
(Decrease)	–	–	–
As at 31 December 2025	–	<b>1,308</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

*Other Related Party Transactions (continued)*

	Holding Company \$'000	Group Fellow Subsidiaries and Associates of Holding Company \$'000	Key Management Personnel* \$'000
(d) Deposits and balances of customers			
Outstanding balances:			
As at 1 January 2024	51,633	193,735	17,796
Increase	–	8,035	334
(Decrease)	(18,892)	(39,480)	(4,702)
As at 31 December 2024	32,741	162,290	13,428
Increase	<b>20,909</b>	<b>29,437</b>	<b>7,675</b>
(Decrease)	–	<b>(5,016)</b>	–
As at 31 December 2025	<b>53,650</b>	<b>186,711</b>	<b>21,103</b>
(e) Trade and other payables			
Outstanding balances:			
As at 1 January 2024	269	3,221	121
Increase	1	132	39
(Decrease)	(104)	(592)	(47)
As at 31 December 2024	166	2,761	113
Increase	–	<b>22</b>	<b>8</b>
(Decrease)	<b>(134)</b>	<b>(1,947)</b>	<b>(63)</b>
As at 31 December 2025	<b>32</b>	<b>836</b>	<b>58</b>
(f) Lease liabilities			
As at 31 December 2024	–	28,522	–
As at 31 December 2025	–	<b>24,298</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

Other Related Party Transactions (continued)

	Holding Company \$'000	Group Fellow Subsidiaries and Associates of Holding Company \$'000	Key Management Personnel* \$'000
(g) Profit and loss transactions			
Year ended 31 December 2025			
– Interest income on loans and advances and hiring charges in respect of hire purchase receivables	–	–	1,409
– Interest expense on deposits	(776)	(3,471)	(372)
– Fee, commission and other income	–	–	49
– Other operating expenses	(1)	(786)	–
– Stage 3 allowances for doubtful debts	–	–	–
– Interest expense on lease liabilities	–	(988)	–
Year ended 31 December 2024			
– Interest income on loans and advances and hiring charges in respect of hire purchase receivables	–	1	1,791
– Interest expense on deposits	(1,390)	(5,811)	(425)
– Fee, commission and other income	–	–	38
– Other operating expenses	(2)	(1,016)	–
– Stage 3 allowances for doubtful debts	–	–	–
– Interest expense on lease liabilities	–	(970)	–
(h) Cash outflows relating to operating leases			
– Lease payments			
Year ended 31 December 2024	–	(5,208)	–
Year ended 31 December 2025	–	(5,214)	–

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

Other Related Party Transactions (continued)

	Holding Company \$'000	Company Fellow Subsidiaries and Associates of Holding Company \$'000	Key Management Personnel* \$'000	Subsidiaries \$'000
(a) Secured loans, advances and hire purchase receivables				
Outstanding balances:				
As at 1 January 2024	–	39	36,030	–
Increase	–	–	–	–
(Decrease)	–	(23)	(171)	–
As at 31 December 2024	–	16	35,859	–
Increase	–	–	37,105	–
(Decrease)	–	(16)	(104)	–
As at 31 December 2025	–	–	72,860	–
Undrawn loan commitments:				
As at 1 January 2024	–	–	–	–
Increase	–	–	–	–
(Decrease)	–	–	–	–
As at 31 December 2024	–	–	–	–
Increase	–	–	–	–
(Decrease)	–	–	–	–
As at 31 December 2025	–	–	–	–
(b) Stage 3 loss allowances				
As at 31 December 2024	–	–	–	–
As at 31 December 2025	–	–	–	–
(c) Other receivables, deposits and prepayment				
Outstanding balances:				
As at 1 January 2024	–	1,305	–	–
Increase	–	4	–	–
(Decrease)	–	(1)	–	–
As at 31 December 2024	–	1,308	–	–
Increase	–	–	–	–
(Decrease)	–	–	–	–
As at 31 December 2025	–	1,308	–	–

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

Other Related Party Transactions (continued)

	Company			
	Holding Company	Fellow Subsidiaries and Associates of Holding Company	Key Management Personnel*	Subsidiaries
	\$'000	\$'000	\$'000	\$'000
(d) Deposits and balances of customers				
Outstanding balances:				
As at 1 January 2024	51,633	193,735	17,796	4,454
Increase	–	8,035	334	139
(Decrease)	(18,892)	(39,480)	(4,702)	–
As at 31 December 2024	32,741	162,290	13,428	4,593
Increase	<b>20,909</b>	<b>29,437</b>	<b>7,675</b>	<b>119</b>
(Decrease)	–	<b>(5,016)</b>	–	–
As at 31 December 2025	<b>53,650</b>	<b>186,711</b>	<b>21,103</b>	<b>4,712</b>
(e) Trade and other payables				
Outstanding balances:				
As at 1 January 2024	269	3,214	121	51
Increase	1	132	39	–
(Decrease)	(104)	(592)	(47)	(7)
As at 31 December 2024	166	2,754	113	44
Increase	–	<b>21</b>	<b>8</b>	–
(Decrease)	<b>(134)</b>	<b>(1,947)</b>	<b>(63)</b>	<b>(16)</b>
As at 31 December 2025	<b>32</b>	<b>828</b>	<b>58</b>	<b>28</b>
(f) Lease liabilities				
As at 31 December 2024	–	28,522	–	–
As at 31 December 2025	–	<b>24,298</b>	–	–

\* Key Management Personnel relate to key management personnel of the Group and the Company and of the holding company of the Company and their close family members.

Loans and deposits transactions with related parties are conducted at arm's length in the ordinary course of business. Credit facilities granted are subject to the Company's normal credit evaluation, approval, monitoring and reporting processes. Loans and advances are secured on equity securities or property, plant and equipment.

No impairment losses have been recorded against balances outstanding during the financial year with related parties, and no specific allowance has been made for balances with related parties at the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

## 29. LEASES

Leases as lessee (SFRS(I) 16)

The Group leases properties and motor vehicles. The leases typically run for a period of three to nine years, with options to renew the lease after that date. Previously, these leases were classified as operating leases under SFRS(I)1-17. None of the leases contain contingent rentals.

The Group leases motor vehicle with one year contract term. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties presented as property, plant and equipment (see note 16).

	Leasehold buildings	
	2025	2024
	\$'000	\$'000
Balance at 1 January	<b>41,286</b>	38,591
Depreciation charge for the year	<b>(6,472)</b>	(6,412)
Additions to right-of-use assets	<b>2,661</b>	9,107
Completion	<b>(65)</b>	–
Balance at 31 December	<b>37,410</b>	41,286
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<i>Amounts recognised in profit or loss</i>		
Interest on lease liabilities	<b>1,273</b>	1,254
Expenses relating to short-term leases	<b>19</b>	19
Expenses relating to leases of low-value assets	<b>290</b>	216
<i>Amount recognised in consolidated statement of cash flows</i>		
Total cash outflow for leases	<b>7,424</b>	7,315

Extension options

Some property leases contain extension options exercisable by the Group up to nine years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## ANALYSIS OF SHAREHOLDINGS

As at 9 March 2026

Number of Shares in Issue	:	449,898,308
Class of Shares	:	Ordinary shares ("Shares")
Number of Shareholders	:	10,922
Voting Rights	:	1 vote for 1 share

Pursuant to the Finance Companies Act 1967, the Company does not hold treasury shares and accordingly, there were no treasury shares held as at 9 March 2026. As at 9 March 2026, there were also no Shares held as subsidiary holdings in the Company. 'Subsidiary holdings' is defined in the Listing Manual of Singapore Exchange Securities Trading Limited ("Listing Manual") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

Range of Shareholdings	No. of Shareholders		No. of Shares Held	
		%		%
1 – 99	353	3.23	14,059	0.00
100 – 1,000	1,673	15.32	1,110,644	0.25
1,001 – 10,000	6,546	59.93	29,488,127	6.55
10,001 – 1,000,000	2,316	21.21	116,741,107	25.95
1,000,001 and above	34	0.31	302,544,371	67.25
	<b>10,922</b>	<b>100.00</b>	<b>449,898,308</b>	<b>100.00</b>

Based on the information available to the Company as at 9 March 2026, approximately 50.09% of the total number of issued Shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

### MAJOR SHAREHOLDERS LIST - TOP 20 AS AT 9 MARCH 2026

No.	Name	No. of Shares Held	%*
1.	Hong Leong Investment Holdings Pte. Ltd.	119,186,092	26.49
2.	Hong Realty (Private) Limited	29,788,370	6.62
3.	Hong Leong Corporation Holdings Pte Ltd	19,685,812	4.38
4.	DBS Nominees (Private) Limited	17,056,291	3.79
5.	Garden Estates (Pte.) Limited	16,710,670	3.71
6.	Citibank Nominees Singapore Pte Ltd	13,989,217	3.11
7.	Hong Leong Foundation	13,854,823	3.08
8.	City Developments Limited	9,149,817	2.03
9.	Phillip Securities Pte Ltd	6,907,492	1.54
10.	Hong Leong Holdings Limited	5,460,422	1.21
11.	United Overseas Bank Nominees (Private) Limited	4,557,710	1.01
12.	Hong Leong Enterprises Pte. Ltd.	4,485,047	1.00
13.	Raffles Nominees (Pte.) Limited	3,980,391	0.88
14.	Lam Yen Yong	3,065,500	0.68
15.	OCBC Nominees Singapore Private Limited	2,888,393	0.64
16.	Chng Beng Guan	2,629,600	0.58
17.	Chng Chee Chong (Zhuang Zhizhong)	2,629,600	0.58
18.	Chng Beng Hua	2,622,000	0.58
19.	Chow Joo Ming	2,600,000	0.58
20.	Morph Investments Ltd	2,160,000	0.48
		<b>283,407,247</b>	<b>62.97</b>

\* The percentage of Shares held is based on the total number of issued Shares of the Company as at 9 March 2026.

## ANALYSIS OF SHAREHOLDINGS

As at 9 March 2026

### SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 9 March 2026)

	No. of Shares			%*
	Direct Interest	Deemed Interest	Total Interest	
Hong Realty (Private) Limited	29,788,370	18,261,335 <sup>(1)</sup>	48,049,705	10.68
Hong Leong Enterprises Pte. Ltd.	4,485,047	19,968,812 <sup>(2)</sup>	24,453,859	5.44
Hong Leong Investment Holdings Pte. Ltd.	119,186,092	88,987,095 <sup>(3)</sup>	208,173,187	46.27
Davos Investment Holdings Private Limited	–	208,173,187 <sup>(4)</sup>	208,173,187	46.27
Kwek Holdings Pte Ltd	–	208,173,187 <sup>(4)</sup>	208,173,187	46.27

\* The percentage of Shares held is based on the total number of issued Shares of the Company as at 9 March 2026.

Notes:

- (1) Hong Realty (Private) Limited ("HR") is deemed under Section 4 of the Securities and Futures Act 2001 ("SFA") to have an interest in the 18,261,335 Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the voting shares thereof.
- (2) Hong Leong Enterprises Pte. Ltd. ("HLE") is deemed under Section 4 of the SFA to have an interest in the 19,968,812 Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the voting shares thereof.
- (3) Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is deemed under Section 4 of the SFA to have an interest in the 88,987,095 Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the voting shares thereof, which includes (i) the 48,049,705 Shares held directly and indirectly by HR and (ii) the 24,453,859 Shares held directly and indirectly by HLE.
- (4) Davos Investment Holdings Private Limited ("Davos") and Kwek Holdings Pte Ltd ("KH") are deemed under Section 4 of the SFA to have interests in the 208,173,187 Shares held directly and/or indirectly by HLIH in which each of them is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Sixth Annual General Meeting (the “Meeting”) of HONG LEONG FINANCE LIMITED (the “Company”) will be held at M Hotel, Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Thursday, 23 April 2026 at 10.30 a.m. for the following purposes:

## A) Ordinary Business:

1. To receive the Directors’ Statement and Audited Financial Statements for the year ended 31 December (“FY”) 2025 and the Auditors’ Report thereon.
2. To declare a final one-tier tax exempt dividend of 6.15 cents per share for FY 2025 (“Final Dividend”).
3. To approve Directors’ Fees of \$1,730,500 for FY 2025 (FY 2024: \$1,730,500).
4. To re-elect the following Directors retiring in accordance with the Company’s Constitution and who, being eligible, offer themselves for re-election as Directors of the Company:
  - (a) Mr Kwek Leng Kee
  - (b) Mr Kevin Hangchi
  - (c) Ms Tan Siew San
  - (d) Ms Jeann Low Ngiap Jong

*Key information on the Directors who are proposed to be re-elected can be found under the sections on ‘Board of Directors’ and ‘Additional Information on Directors Seeking Re-election at the 66<sup>th</sup> Annual General Meeting’ of the Annual Report 2025.*

5. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.

## B) Special Business:

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions which will be proposed as Ordinary Resolutions:

6. That authority be and is hereby given to the Directors to:
  - (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

**Resolution 1**

**Resolution 2**

**Resolution 3**

**Resolution 4(a)**

**Resolution 4(b)**

**Resolution 4(c)**

**Resolution 4(d)**

**Resolution 5**

**Resolution 6**

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50% of the total number of issued shares of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 10% of the total number of issued shares of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares of the Company shall be based on the total number of issued shares of the Company at the time this Ordinary Resolution is passed, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Ordinary Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of Section 161 of the Companies Act 1967 of Singapore, the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting (“AGM”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

7. That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Hong Leong Finance Share Option Scheme 2001 (the “SOS”) to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options granted under the SOS, provided that the aggregate number of shares to be issued pursuant to the SOS shall not exceed 15% of the total number of issued shares of the Company from time to time.

**Resolution 7**

BY ORDER OF THE BOARD

Enid Ling Peek Fong  
Ng Siew Ping, Jaslin  
Company Secretaries

Singapore, 25 March 2026

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

### Ordinary Business

1. With reference to Resolution 2, the Share Transfer Books and Register of Members will be closed from 5.00 p.m. on 5 May 2026 up to (and including) 6 May 2026. Registrable transfers received up to 5.00 p.m. on 5 May 2026 will be registered to determine shareholders' entitlement to the Final Dividend. If approved at the Meeting, it will be paid on 21 May 2026.
2. With reference to Resolution 3, the Directors' Fees of \$1,730,500 for FY 2025 will be payable upon approval of the shareholders at the Meeting. The structure of fees payable to Directors for FY 2025 can be found in the 'Corporate Governance Report' which is included within the Company's Annual Report 2025.
3. With reference to Resolution 4(b), Mr Kevin Hangchi will, upon re-election as a Director of the Company, remain as chairman of the Board Sustainability Committee ("BSC") and a member of Board Risk Committee ("BRC").
4. With reference to Resolution 4(c), Ms Tan Siew San will, upon re-election as a Director of the Company, remain as chairman of the Nominating Committee, and a member of the Executive Committee, BRC, Remuneration Committee, and Hong Leong Finance Share Option Scheme 2001 Committee. Ms Tan is considered independent by the Board.
5. With reference to Resolution 4(d), Ms Jeann Low Ngiap Jong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and BSC. Ms Low is considered independent by the Board.

### Special Business

6. Resolution 6, if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM (unless such authority is revoked or varied in general meeting) to issue shares and/or make or grant Instruments that might require shares to be issued up to a number not exceeding 50% of the Company's total number of issued shares, of which up to 10% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued under this ordinary resolution will be calculated based on the total number of issued shares of the Company at the time that this ordinary resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.
7. Resolution 7, if passed, will empower the Directors to offer and grant options in accordance with the SOS to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to issue from time to time such number of shares of the Company pursuant to the exercise of such options under the SOS subject to such limit as prescribed in the SOS. (see note below on voting restrictions)

#### *Voting restrictions pursuant to Rule 859 of the Listing Manual of SGX-ST:*

Please note that a shareholder who is eligible to participate in the SOS (other than as a director and/or employee of Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries (but not including the Company)) should abstain from voting at the Meeting in respect of the ordinary resolution set out in Resolution 7 in relation to the SOS, and accordingly should not accept nominations as proxies or otherwise for voting at the Meeting, in respect of the aforesaid ordinary resolution, unless specific instructions have been given in the proxy form on how the vote is to be cast for the aforesaid resolution.

# NOTICE OF ANNUAL GENERAL MEETING

## Meeting Notes:

### Format of Meeting

1. The Meeting will be held in a wholly physical format. **There will be no option for Shareholders to participate virtually.** Shareholders, including CPF and SRS investors who hold the Company's shares through CPF Agent Banks or SRS Operators, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote by attending the Meeting.

Attendees are required to bring along their NRIC/passport so as to enable the Company to verify their identities.

Printed copies of this Notice and the accompanying proxy form are sent by post to members. These documents will also be published on the Company's website at the URL <https://www.hlf.com.sg/investor-relations/agm.php> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

2. All resolutions at the Meeting shall be voted on by way of a poll. Polling will be done by way of an electronic poll voting system and members present in person or represented by proxy at the Meeting will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for the electronic poll voting will be explained at the Meeting.

### Access to Documents

3. The Annual Report 2025 is available on the Company's website at the URL <https://www.hlf.com.sg/ar.php> and may also be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders may request for a printed copy of the Annual Report 2025 in the following manner:

- (a) by completing and submitting the Request Form which is sent to them by post; or
- (b) by completing and submitting the Request Form via email to the Company's Share Registrar at [hlf@boardroomlimited.com](mailto:hlf@boardroomlimited.com); with "Request for Printed Copy of Annual Report 2025" as the subject header of the email; or
- (c) by completing and submitting the online Request Form at <https://www.hlf.com.sg/ar.php>,

in either case, by 5.00 p.m. on 9 April 2026.

### Submission of Questions

4. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Meeting, in advance of the Meeting, in the following manner:
  - (a) via email to [ir@hlf.com.sg](mailto:ir@hlf.com.sg); or
  - (b) by post to the Company, Investor Relations, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581.

When submitting questions, Shareholders should provide the following details: (a) full name as it appears in the CDP/CPF/SRS/scrip share records; (b) address; (c) number of shares held in the Company; and (d) the manner in which the shares are held in the Company (e.g., via CDP, CPF, SRS and/or scrip based), for verification purposes. All questions submitted in advance must be received by 5.00 p.m. on 9 April 2026.

5. The Company will address substantial and relevant questions (which are related to the Company's Annual Report and other agenda items set out in this Notice) received from Shareholders by 5.00 p.m. on 9 April 2026 by publishing its responses to such questions on the Company's website at the URL <https://www.hlf.com.sg/investor-relations/agm.php> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies).

# NOTICE OF ANNUAL GENERAL MEETING

## **Appointment of Proxy(ies)**

6. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

7. A proxy need not be a member of the Company.
8. Completion and return of the form of proxy shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the form of proxy to the Meeting.
9. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
10. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, via email to the Company's Share Registrar at [hlf@boardroomlimited.com](mailto:hlf@boardroomlimited.com),
- in either case, by 10.30 a.m. on 20 April 2026, being not less than 72 hours before the time for holding the Meeting.
11. A member who wishes to submit an instrument of proxy by post or via email can either use the printed copy of the proxy form, which is sent to him/her/it by post, or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

## **CPF/SRS Investors**

12. CPF or SRS investors who hold shares in the Company through CPF Agent Banks/SRS Operators:
- (a) may attend and vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2026.

# NOTICE OF ANNUAL GENERAL MEETING

## **Personal data privacy:**

By submitting a form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, and/or submitting any question prior to the Meeting in accordance with this Notice, a member of the Company:

- (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the proxy(ies) and representative(s) appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities (collectively, the "Purposes");
- (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (c) agrees to provide the Company with written evidence of such prior consent upon reasonable request; and
- (d) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

Name of Director	Kwek Leng Kee	Kevin Hangchi	Tan Siew San	Jeann Low Ngiap Jong
Age	71	53	74	65
Date of appointment	1 September 2001	1 October 2016	11 June 2019	27 April 2023
Job Title	Non-Executive and Non-Independent Director	Non-Executive and Non-Independent Director  Chairman of the Board Sustainability Committee (“BSC”) and member of the Board Risk Committee (“BRC”)	Non-Executive and Independent Director  Chairman of the Nominating Committee, member of the Executive Committee, BRC, Remuneration Committee, and Hong Leong Finance Share Option Scheme 2001 Committee.	Non-Executive and Independent Director  Member of the Audit Committee and BSC.
Date of last re-election as Director (if applicable)	25 April 2024	25 April 2024	27 April 2023	Not applicable
Country of principal residence	Singapore	Singapore	Singapore	Singapore
Board of Directors’ (the “Board”) comments on the re-election (including rationale, selection criteria, and the search and nomination process)	<p>The Board reviewed the recommendation of the Nominating Committee (“NC”) on the re-election of Mr Kwek Leng Kee, Mr Kevin Hangchi, Ms Tan Siew San and Ms Jeann Low Ngiap Jong, and took into account, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• their skill sets and contributions to the effectiveness of the Board (which includes their level of attendance and participation at Board, Board Committees and Non-Executive Directors’ meetings, where applicable);</li> <li>• their time commitment especially for Directors who have multiple board representations and/or other principal commitments; and</li> <li>• their confirmation that they continue to remain fit and proper for continued appointment on the Board.</li> </ul>		<p>The Board recommends the re-election of Mr Kwek Leng Kee, Mr Kevin Hangchi, Ms Tan Siew San and Ms Jeann Low Ngiap Jong as Directors of the Company.</p> <p>For more details on the NC’s evaluation process, please refer to Principle 4: Board Membership and Principle 5: Board Performance of the Corporate Governance Report.</p>	
Whether appointment is executive, and if so, the area of responsibility	No	No	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

Name of Director	Kwek Leng Kee	Kevin Hangchi	Tan Siew San	Jeann Low Ngiap Jong
Professional qualification, working experience and occupation(s) during the past 10 years	<p>Has more than 40 years of experience in property investment, property development and the building and construction materials business. As the Assistant Managing Director of Hong Leong Holdings Limited (“HLH”), he spearheaded the establishment, and oversees the operation, of its subsidiary in Chengdu, People’s Republic of China since 2012. Prior to that, he also had many years of experience in a large Beijing project which was successfully completed in 1996. He continues to be a director of Beijing Hong Gong Garden Villa House Property Development Co., Ltd.</p> <p><u>June 1982 to Present</u> Assistant Managing Director of HLH</p> <p><u>September 1982 to Present</u> Managing Director of Intrepid Investments Pte. Ltd.</p> <p><u>May 1983 to Present</u> Director of Tripartite Developers Pte. Limited</p>	<p>Extensive global transactional experience across many of the Hong Leong Group’s entities which include listings and public offerings, mergers and acquisitions as well as capital markets issuances and banking facilities.</p> <p><u>January 2009 to Present</u> Senior Vice President of Hong Leong Management Services Pte. Ltd.</p> <p>Holds a BSc (Social Sciences) (Hons) Degree in Accounting and Law from the University of Southampton, United Kingdom.</p> <p>Called to the English Bar and admitted to the Rolls as a Barrister-At-Law (Middle Temple) and was also called to the Singapore Bar.</p>	<p>Started career as an analyst in the Ministry of Defence (“Mindef”) in 1974 and headed the Research department in Mindef from 1983 to 1995. Appointed Deputy Secretary (Policy) in Mindef in 1995, areas of responsibility included strategic issues, defence relations, national education, military security and public affairs.</p> <p><u>October 2006 to March 2012</u> Deputy Secretary (Asia Pacific) in the Ministry of Foreign Affairs</p> <p><u>March 2012 to May 2019</u> Ambassador Extraordinary and Plenipotentiary to the Kingdom of Thailand</p> <p>Retired from the Singapore civil service in June 2019.</p> <p>Holds a Bachelor of Social Science (Honours) (Political Science) degree from the University of Singapore. Also obtained a Master of Arts (Political Science) degree from the University of Wisconsin - Madison, USA on a Fulbright-Hays scholarship.</p>	<p>Currently a Senior Advisor with Singapore Telecommunications Limited (“Singtel”). Prior to this, was Singtel’s Group Chief Corporate Officer from April 2015 until April 2021. Responsibilities in Singtel included corporate finance, accounting and management reporting, treasury and capital management, mergers and acquisitions, corporate communications and strategic branding, legal, regulatory and group risk management, sustainability and digitalisation.</p> <p>Was also involved in Singtel’s significant acquisitions in Asia Pacific between 1998 and 2002, with investments in the various mobile operators in Thailand, India, Indonesia as well as Australia.</p> <p>In addition, is a board member of Advanced Info Service Public Company Limited, a leading telco (mobile and broadband) and digital services operator in Thailand, and also a board member of the manager of Capitaland Integrated Commercial Trust Management Limited which has commercial real estate operations in Singapore, Australia and Germany.</p> <p><u>September 2008 to April 2015</u> Group Chief Financial Officer, Singtel</p> <p><u>April 2015 to April 2021</u> Group Chief Corporate Officer, Singtel</p> <p><u>April 2021 to Present</u> Senior Advisor, Singtel</p> <p>Holds a Bachelor of Accountancy (Honours) from the National University of Singapore. Also a Chartered Accountant registered with the Institute of Singapore Chartered Accountants (“ISCA”) and a Fellow member of ISCA.</p>
Shareholding interest in the Company and its subsidiaries	Please refer to the Directors’ Statement in the Annual Report 2025.	Please refer to the Directors’ Statement in the Annual Report 2025.	Nil	Nil

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

Name of Director	Kwek Leng Kee	Kevin Hangchi	Tan Siew San	Jeann Low Ngiap Jong
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	<p>Cousin of Mr Kwek Leng Beng (Chairman/Managing Director) and Mr Kwek Leng Peck, and uncle of Mr Kevin Hangchi.</p> <p>Director and shareholder of Hong Realty (Private) Limited ("HR"), Hong Leong Investment Holdings Pte. Ltd. ("HLIH") and Davos Investment Holdings Private Limited, all of which are substantial shareholders of the Company. HR and HLIH are also related corporations of the Company.</p> <p>Please refer to the Directors' Statement on his shareholding interests in HR and HLIH.</p>	<p>Nephew of Mr Kwek Leng Beng (Chairman/Managing Director), Mr Kwek Leng Peck and Mr Kwek Leng Kee.</p> <p>Shareholder of HR and HLIH. HR and HLIH are substantial shareholders and related corporations of the Company.</p> <p>Please refer to the Directors' Statement on his shareholding interests in HR and HLIH.</p>	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Hong Leong Finance Limited ("HLF")	Yes	Yes	Yes	Yes
Other Principal Commitments including directorships	<p><u>Principal Commitments:</u> Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years"</p>	<p><u>Principal Commitments:</u> Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years"</p>	<p><u>Principal Commitments:</u> Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years"</p>	<p><u>Principal Commitments:</u> Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years"</p>
Directorships:				
Past (for the last 5 years):	<ul style="list-style-type: none"> <li>1 subsidiary of HLIH</li> <li>1 subsidiary and 1 associated company of HLH</li> </ul>	<ul style="list-style-type: none"> <li>Nil</li> </ul>	<ul style="list-style-type: none"> <li>Triton Holding Public Company Limited*</li> <li>DOD Biotech Public Company Limited</li> <li>Triton Resources International Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Intouch Holdings Public Company Limited*</li> <li>Singtel Asian Investments Pte Ltd</li> <li>Singtel Strategic Investments Pte Ltd</li> <li>Singtel Strategy Pte Ltd</li> <li>Trustwave Holdings Inc</li> </ul>
Present:	<ul style="list-style-type: none"> <li>HLF*</li> <li>6 subsidiaries of CDL</li> <li>Hong Leong Corporation Holdings Pte Ltd</li> <li>HLH and 46 of its subsidiaries and associated companies</li> <li>HLIH and 8 of its subsidiaries.</li> <li>HR and 1 subsidiary</li> <li>Davos Investment Holdings Private Limited</li> <li>Guan Hong Plantation Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>HLF* and its 2 subsidiaries</li> <li>1 subsidiary of CDL</li> <li>Millennium &amp; Copthorne Hotels New Zealand Limited* and 1 subsidiary</li> <li>4 subsidiaries of HLIH</li> <li>Hong Leong Nominees (Private) Limited</li> <li>Kwek Holdings Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>HLF*</li> <li>Cortina Holdings Limited*</li> <li>Clarity The Word Factory Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>HLF*</li> <li>Aztech Global Ltd*</li> <li>CapitaLand Integrated Commercial Trust Management Limited**</li> <li>Prison Fellowship Singapore Limited</li> <li>Seventy Times Seven (member, Management Committee)</li> <li>The Turning Point (member, Executive Committee)</li> <li>Advanced Info Service Public Company Limited*</li> <li>Advanced Wireless Network Co., Ltd.</li> </ul>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 66<sup>th</sup> Annual General Meeting

Name of Director	Kwek Leng Kee	Kevin Hangchi	Tan Siew San	Jeann Low Ngiap Jong
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Responses to questions (a) to (k) are negative.	<p>Responses to questions (a) to (k) are negative (same as previously announced on 23 September 2016) except for question (j)(i).</p> <p>Mr Hangchi is a non-executive director of Millennium &amp; Copthorne Hotels New Zealand Limited ("MCK"), a company listed on the Main Board of NZX Limited ("NZX"). Mr Hangchi has never held any executive or managerial position in MCK and has never been appointed to any MCK board committees. In November 2023, MCK was found by the NZ Markets Disciplinary Tribunal to have breached certain NZX listing rules relating to the disclosure of certain governance matters and the historical composition of the MCK Audit Committee between 2018 and 2020 and MCK was ordered to pay a financial penalty of NZ\$50,000 and publicly censured.</p> <p>Following such proceedings, the NC and the HLF Board had assessed the suitability of the continued appointment of Mr Hangchi as a Director and noted various factors, <i>inter alia</i>, there was no evidence that any of the breaches were directly attributable to Mr Hangchi. In view of the factors considered, the NC and the HLF Board were of the view that Mr Hangchi continues to remain fit and proper to be a Director of HLF. For further details, please refer to the Company's announcement on 16 November 2023.</p>	Responses to questions (a) to (k) are negative (same as previously announced on 10 June 2019).	Responses to questions (a) to (k) are negative (same as previously announced on 29 March 2023).

\* Listed company

\*\* Manager of a listed trust

Information as at 9 March 2026

**IMPORTANT:**

- The Meeting will be held in a wholly physical format. **There will be no option for Shareholders to participate virtually.** Printed copies of the Notice of Meeting and this proxy form are sent by post to members. These documents will also be published on the Company's website at the URL <https://www.hlf.com.sg/investor-relations/aggm.php> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
  - Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
  - Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Meeting.
  - This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS operators if they have any queries regarding their appointment as proxies.
- Personal Data Privacy*
- By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 25 March 2026.

I/We, (name) \_\_\_\_\_ with NRIC/Passport/Co. Reg. No.: \_\_\_\_\_

of (address) \_\_\_\_\_

being a member/members of HONG LEONG FINANCE LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf at the Sixty-Sixth Annual General Meeting of the Company (the "Meeting") to be held at M Hotel, Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Thursday, 23 April 2026 at 10.30 a.m., and at any adjournment thereof in the following manner as specified below.

**NOTE:** Voting on all resolutions will be conducted by poll. If you wish to exercise 100% of your votes **For** or **Against** a resolution, please tick with "✓" in the corresponding box against that resolution. If you wish to split your votes, please indicate the number of votes **For** and/or **Against** that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with "✓" in the **Abstain** box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the **Abstain** box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the below resolutions if no voting instruction is specified, and on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions	For	Against	Abstain
<b>A)</b>	<b>ORDINARY BUSINESS:</b>			
1.	Receipt of the Directors' Statement, Audited Financial Statements and the Auditors' Report thereon			
2.	Declaration of a Final Dividend			
3.	Approval of Directors' Fees			
4.	Re-election of Directors:			
	(a) Mr Kwek Leng Kee			
	(b) Mr Kevin Hangchi			
	(c) Ms Tan Siew San			
	(d) Ms Jeann Low Ngiap Jong			
5.	Re-appointment of KPMG LLP as Auditors			
<b>B)</b>	<b>SPECIAL BUSINESS:</b>			
6.	Authority for Directors to issue shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of Singapore Exchange Securities Trading Limited			
7.	Authority for Directors to offer and grant options to eligible participants under the Hong Leong Finance Share Option Scheme 2001 (the "SOS") other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

<b>Total No. of Shares Held</b>

\_\_\_\_\_ Contact Number / Email Address of Member(s)

\_\_\_\_\_ Signature(s) or Common Seal of Member(s)

**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
3. A proxy need not be a member of the Company.
4. CPF or SRS investors who hold shares in the Company through CPF Agent Banks/SRS Operators:  
(a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or  
(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2026.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:  
(a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or  
(b) if submitted electronically, via email to the Company's Share Registrar at [hlf@boardroomlimited.com](mailto:hlf@boardroomlimited.com), in either case, by 10.30 a.m. on 20 April 2026, being not less than 72 hours before the time appointed for holding the Meeting. The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.
6. This form of proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the form of proxy is executed by a corporation, it must be executed either under its common seal or signed by a director or an officer or an attorney duly authorised.
7. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent the member from attending, speaking and voting at the Meeting if the member so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any proxy(ies) appointed under the relevant instrument appointing a proxy(ies) to the Meeting.
8. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold Here

**66<sup>th</sup> AGM  
PROXY FORM**



**HONG LEONG FINANCE LIMITED**  
c/o The Share Registrar  
Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

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# BRANCHES AND SME CENTRES

## BRANCHES

<b>Main Branch</b> 16 Raffles Quay #01-05 Hong Leong Building Singapore 048581 T : 6415 9118 F : 6222 8790	<b>City Square Mall Branch</b> 180 Kitchener Road #B2-41 City Square Mall Singapore 208539 T : 6509 8200 F : 6509 8100	<b>Jurong East Branch</b> Blk 134 Jurong Gateway Road #01-313 Singapore 600134 T : 6564 3880 F : 6564 3787	<b>Serangoon Garden Branch</b> 8 Kensington Park Road Serangoon Garden Estate Singapore 557260 T : 6280 5665 F : 6285 2195
<b>Ang Mo Kio Ave 1 Branch</b> Blk 338 Ang Mo Kio Ave 1 #01-1641 Singapore 560338 T : 6452 8735 F : 6454 3524	<b>Clementi West Branch</b> Blk 725 Clementi West Street 2 #01-216 Singapore 120725 T : 6778 6271 F : 6775 2751	<b>Jurong West Branch</b> Blk 504 Jurong West Street 51 #01-211 Singapore 640504 T : 6569 0361 F : 6569 5918	<b>Tampines Grande Branch</b> 9 Tampines Grande #01-12 Singapore 528735 T : 6784 7326 F : 6784 9057
<b>Balestier Branch</b> 288 Balestier Road #01-02 Balestier 288 Singapore 329731 T : 6250 1083 F : 6254 8801	<b>Ghim Moh Branch</b> Blk 21 Ghim Moh Road #01-209/211 Singapore 270021 T : 6467 3715 F : 6468 3273	<b>Marine Parade Branch</b> Blk 80 Marine Parade Central #01-790 Singapore 440080 T : 6346 2036 F : 6346 2035	<b>Toa Payoh Branch</b> Blk 520 Lorong 6 Toa Payoh #02-54 HDB Hub Singapore 310520 T : 6253 4821 F : 6256 5676
<b>Bedok Branch</b> Blk 203 Bedok North Street 1 #01-451 Singapore 460203 T : 6449 0601 F : 6444 3827	<b>Holland Drive Branch</b> Blk 45 Holland Drive #01-351 Singapore 270045 T : 6778 4169 F : 6775 2836	<b>Potong Pasir Branch</b> 51 Upper Serangoon Road #01-60/61 The Poiz Centre Singapore 347697 T : 6214 9462 F : 6214 9463	<b>Upper Bukit Timah Branch</b> 140 Upper Bukit Timah Road #01-19/21 Beauty World Plaza Singapore 588176 T : 6469 7438 F : 6468 4181
<b>Bukit Batok Central Branch</b> Blk 641 Bukit Batok Central #01-48 Singapore 650641 T : 6564 8801 F : 6564 9643	<b>Hong Lim Branch</b> Blk 531 Upper Cross Street #01-50 Hong Lim Complex Singapore 050531 T : 6534 5767 F : 6534 5868	<b>Punggol Coast Mall Branch</b> 88 Punggol Way #01-125 Punggol Coast Mall Singapore 829913 T : 6296 8067 F : 6294 2907	<b>Upper Thomson Branch</b> 219 Upper Thomson Road Singapore 574351 T : 6453 3266 F : 6454 1913
<b>Bukit Merah Branch</b> Blk 125 Bukit Merah Lane 1 #01-156 Singapore 150125 T : 6273 0360 F : 6272 7158	<b>Hougang Branch</b> Blk 208 Hougang Street 21 #01-211/213 Singapore 530208 T : 6288 2396 F : 6281 3046	<b>Redhill (Jln Tiong) Branch</b> Blk 75D Redhill Road #01-100 Singapore 154075 T : 6479 0277 F : 6479 0218	<b>Woodlands Branch</b> Blk 306 Woodlands Street 31 #01-43 Singapore 730306 T : 6368 7928 F : 6368 1448
<b>City Plaza Branch</b> 810 Geylang Road #01-111/114 City Plaza Singapore 409286 T : 6746 8084 F : 6748 2422	<b>Joo Chiat Branch</b> 278 Joo Chiat Road Singapore 427532 T : 6344 8842 F : 6440 2864	<b>Sengkang Branch</b> 1 Sengkang Square #02-35 Compass One Singapore 545078 T : 6384 3696 F : 6386 3364	<b>Yishun Branch</b> Blk 743 Yishun Ave 5 #01-542/544 Singapore 760743 T : 6758 3711 F : 6753 5001

## SME CENTRES @ HONG LEONG FINANCE

<b>Balestier</b> 288 Balestier Road #01-02 Balestier 288 Singapore 329731 T : 6397 4946 F : 6254 8801	<b>City Square</b> 180 Kitchener Road #B2-41 City Square Mall Singapore 208539 T : 6634 4087 F : 6834 3280	<b>Hougang</b> Blk 208 Hougang Street 21 #01-211/213 Singapore 530208 T : 6383 4786 F : 6281 3046	<b>Punggol Coast Mall</b> 88 Punggol Way #01-125 Punggol Coast Mall Singapore 829913 T : 6296 8067 F : 6294 2907
<b>Bedok</b> Blk 203 Bedok North Street 1 #01-451 Singapore 460203 T : 6446 7355 F : 6444 3827	<b>Clementi West</b> Blk 725 Clementi West Street 2 #01-216 Singapore 120725 T : 6873 3042 F : 6775 2751	<b>Jurong East</b> Blk 134 Jurong Gateway Road #01-313 Singapore 600134 T : 6665 1952 F : 6564 3787	<b>Upper Bukit Timah</b> 140 Upper Bukit Timah Road #01-19/21 Beauty World Plaza Singapore 588176 T : 6463 1365 F : 6468 4181
<b>Bukit Merah</b> Blk 125 Bukit Merah Lane 1 #01-156 Singapore 150125 T : 6274 7530 F : 6272 7158	<b>Hong Lim</b> Blk 531 Upper Cross Street #01-50 Hong Lim Complex Singapore 050531 T : 6534 5991 F : 6534 5868	<b>Potong Pasir</b> 51 Upper Serangoon Road #01-60/61 The Poiz Centre Singapore 347697 T : 6214 9473 F : 6214 9463	<b>Yishun</b> Blk 743 Yishun Ave 5 #01-542/544 Singapore 760743 T : 6758 3711 F : 6753 5001
<b>City Plaza</b> 810 Geylang Road #01-111/114 City Plaza Singapore 409286 T : 6846 9710 F : 6748 2422			



**HONG LEONG FINANCE**

**HONG LEONG FINANCE LIMITED**

16 RAFFLES QUAY  
#01-05 HONG LEONG BUILDING  
SINGAPORE 048581

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