



## HONG LEONG FINANCE

### Half-Year Financial Statements And Dividend Announcement

Condensed interim consolidated financial statements for the six months ended 30 June 2025. These figures have not been audited.

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

Group			
Note	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024	+ / (-)
	\$'000	\$'000	%
Interest on loans	174,923	230,689	(24.2)
Hiring charges	35,390	26,352	34.3
Other interest income	37,009	46,733	(20.8)
Interest income/hiring charges	247,322	303,774	(18.6)
Less: Interest expense	158,097	191,098	(17.3)
Net interest income/hiring charges	89,225	112,676	(20.8)
Fee and commission income	4,107	3,998	2.7
Other operating income	109	59	84.7
Income before operating expenses	93,441	116,733	(20.0)
Less: Staff costs	46,073	43,497	5.9
Depreciation of property, plant and equipment	4,503	3,898	15.5
Other operating expenses	10,261	8,348	22.9
Total operating expenses	60,837	55,743	9.1
<b>Profit from operations before allowances</b>	<b>32,604</b>	60,990	(46.5)
Add: Reversal or recovery of allowances for doubtful debts and other financial assets	6,222	2,123	193.1
Profit before tax	38,826	63,113	(38.5)
Less: Income tax expense	6,611	10,529	(37.2)
<b>Profit for the period/Comprehensive income attributable to owners of the Company</b>	<b>32,215</b>	52,584	(38.7)
Annualised earnings per share (cents)			
- Basic	14.36	23.45	
- Diluted	14.35	23.43	

B. Condensed interim statements of financial position

		Group		Company	
	Note	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Cash at banks and in hand		940,007	772,045	938,914	770,957
Statutory deposit with the Monetary Authority of Singapore ("MAS")		338,531	336,926	338,531	336,926
Singapore Government debt securities, MAS Bills and MAS Floating Rate Note ("FRN")		1,563,890	1,777,106	1,563,890	1,777,106
Hire purchase receivables		2,304,861	2,086,790	2,304,861	2,086,790
Loans, advances and factoring receivables		9,462,629	9,599,602	9,462,629	9,599,602
		11,767,490	11,686,392	11,767,490	11,686,392
Allowances for doubtful debts		(12,238)	(18,666)	(12,238)	(18,666)
		11,755,252	11,667,726	11,755,252	11,667,726
Other receivables, deposits and prepayments		17,094	16,611	17,094	16,610
Subsidiaries and long-term investments		-	-	535	535
Property, plant and equipment	E10	60,431	63,476	60,431	63,476
Total assets		14,675,205	14,633,890	14,674,647	14,633,336
<b>Liabilities</b>					
Deposits and balances of customers		12,341,489	12,300,265	12,346,091	12,304,858
Borrowings	E9	1,069	1,449	1,069	1,449
Trade and other payables		217,689	201,916	216,419	200,599
Current tax payable		14,887	19,134	14,879	19,120
Deferred tax liabilities		4,897	3,591	4,897	3,591
Total liabilities		12,580,031	12,526,355	12,583,355	12,529,617
<b>Equity</b>					
Share capital		891,845	891,641	891,845	891,641
Reserves		881,633	873,060	881,633	873,060
Accumulated profits		321,696	342,834	317,814	339,018
Equity attributable to owners of the Company		2,095,174	2,107,535	2,091,292	2,103,719
Total equity and liabilities		14,675,205	14,633,890	14,674,647	14,633,336
Acceptances, guarantees and other obligations on behalf of customers		449	449	449	449
Number of shares in issue		448,650,933	448,568,933	448,650,933	448,568,933
Net asset value per share (\$)		4.67	4.70	4.66	4.69

C. Condensed interim statements of changes in equity

	Share capital \$'000	Statutory reserve \$'000	Capital reserve \$'000	Share option reserve \$'000	Regulatory loss allowance reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Group</b>							
At 1 January 2025	<b>891,641</b>	<b>848,036</b>	<b>2,307</b>	<b>1,944</b>	<b>20,773</b>	<b>342,834</b>	<b>2,107,535</b>
Issue of shares under share option scheme	<b>190</b>						<b>190</b>
Value of employee services received for issue of share options				<b>99</b>			<b>99</b>
Value of employee services transferred for share options exercised or lapsed	<b>14</b>			<b>(73)</b>		<b>59</b>	<b>-</b>
Final dividend of 10 cents per share (tax exempt one-tier) paid in respect of year 2024						<b>(44,865)</b>	<b>(44,865)</b>
Adjustment under MAS 811					<b>8,547</b>	<b>(8,547)</b>	<b>-</b>
Comprehensive income for the period						<b>32,215</b>	<b>32,215</b>
At 30 June 2025	<b>891,845</b>	<b>848,036</b>	<b>2,307</b>	<b>1,970</b>	<b>29,320</b>	<b>321,696</b>	<b>2,095,174</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	44						44
Value of employee services received for issue of share options				119			119
Value of employee services transferred for share options exercised or lapsed	3			(61)		58	-
Final dividend of 9 cents per share (tax exempt one-tier) paid in respect of year 2023						(40,371)	(40,371)
Adjustment under MAS 811					2,865	(2,865)	-
Comprehensive income for the period						52,584	52,584
At 30 June 2024	891,625	822,015	2,307	2,148	18,000	336,561	2,072,656

C. Condensed interim statements of changes in equity (continued)

<b>Company</b>	<b>Share capital \$'000</b>	<b>Statutory reserve \$'000</b>	<b>Capital reserve \$'000</b>	<b>Share option reserve \$'000</b>	<b>Regulatory loss allowance reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total \$'000</b>
At 1 January 2025	<b>891,641</b>	<b>848,036</b>	<b>2,307</b>	<b>1,944</b>	<b>20,773</b>	<b>339,018</b>	<b>2,103,719</b>
Issue of shares under share option scheme	<b>190</b>						<b>190</b>
Value of employee services received for issue of share options				<b>99</b>			<b>99</b>
Value of employee services transferred for share options exercised or lapsed	<b>14</b>			<b>(73)</b>		<b>59</b>	<b>-</b>
Final dividend of 10 cents per share (tax exempt one-tier) paid in respect of year 2024						<b>(44,865)</b>	<b>(44,865)</b>
Adjustment under MAS 811					<b>8,547</b>	<b>(8,547)</b>	<b>-</b>
Comprehensive income for the period						<b>32,149</b>	<b>32,149</b>
At 30 June 2025	<b>891,845</b>	<b>848,036</b>	<b>2,307</b>	<b>1,970</b>	<b>29,320</b>	<b>317,814</b>	<b>2,091,292</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	44						44
Value of employee services received for issue of share options				119			119
Value of employee services transferred for share options exercised or lapsed	3			(61)		58	-
Final dividend of 9 cents per share (tax exempt one-tier) paid in respect of year 2023						(40,371)	(40,371)
Adjustment under MAS 811					2,865	(2,865)	-
Comprehensive income for the period						52,503	52,503
At 30 June 2024	891,625	822,015	2,307	2,148	18,000	332,817	2,068,912

D. Condensed interim consolidated statement of cash flows

	<b>Group</b>	
	<b>6 months ended 30 Jun 2025 \$'000</b>	6 months ended 30 Jun 2024 \$'000
Operating activities		
Profit for the period	<b>32,215</b>	52,584
Adjustments for:		
Impact of accrual of interest income	<b>311</b>	(1,850)
Impact of accrual of interest expense	<b>7,658</b>	35,598
Reversal of impairment loss on loans, advances and receivables	<b>(6,172)</b>	(1,774)
Interest expense on lease liabilities	<b>652</b>	614
Interest expense on borrowings	<b>13</b>	51
Depreciation of property, plant and equipment	<b>4,503</b>	3,898
Value of employee services received for issue of share options	<b>99</b>	119
Income tax expense	<b>6,611</b>	10,529
	<b>45,890</b>	99,769
Changes in working capital:		
Loans, advances and receivables	<b>(81,354)</b>	123,384
Other receivables, deposits and prepayments	<b>(794)</b>	8,656
Singapore Government debt securities, MAS Bills and MAS FRN	<b>213,216</b>	(115,257)
Deposits and balances of customers	<b>41,224</b>	(494,956)
Trade and other payables	<b>11,168</b>	31,077
Cash generated from/(used in) operations	<b>229,350</b>	(347,327)
Income taxes paid	<b>(9,552)</b>	(8,804)
Cash flows from/(used in) operating activities	<b>219,798</b>	(356,131)
Investing activities		
Purchase of property, plant and equipment	<b>(1,458)</b>	(1,260)
Cash flows used in investing activities	<b>(1,458)</b>	(1,260)
Financing activities		
Payment for lease liabilities	<b>(3,053)</b>	(3,078)
Proceeds from exercise of share options	<b>190</b>	44
Repayment of borrowings	<b>(380)</b>	(7,854)
Interest paid	<b>(665)</b>	(665)
Dividends paid	<b>(44,865)</b>	(40,371)
Cash flows used in financing activities	<b>(48,773)</b>	(51,924)
Net increase/(decrease) in cash and cash equivalents	<b>169,567</b>	(409,315)
Cash and cash equivalents at beginning of period	<b>1,108,971</b>	1,499,135
Cash and cash equivalents at end of period	<b>1,278,538</b>	1,089,820

Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following:

	<b>30 Jun 2025 \$'000</b>	30 Jun 2024 \$'000
Cash at banks and in hand	<b>940,007</b>	745,828
Statutory deposit with the Monetary Authority of Singapore ("MAS")	<b>338,531</b>	343,992
Cash and cash equivalents	<b>1,278,538</b>	1,089,820

In addition to the cash and cash equivalents above, marketable Singapore Government debt securities, MAS Bills and MAS FRN amounted to \$1,563,890,000 (30 June 2024: \$1,825,269,000) for the Group.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Hong Leong Finance Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the half year ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “Group”). 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

The condensed interim financial statements as at and for the half year ended 30 June 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The adoption of the new/revised/amendments to SFRS(I)s which came into effect from 1 January 2025 does not have a material impact on the financial statements of the Group and the Company for the period under review.

Other than the above, the accounting policies and methods of computation used in the condensed interim financial statements as at and for the half year ended 30 June 2025 are consistent with those applied in the audited financial statements for the year ended 31 December 2024.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

3. Use of estimates and judgements

The preparation of the condensed interim 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.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E. Notes to the condensed interim consolidated financial statements (continued)

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Segment information

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.

6. Other operating income includes loss on disposal of plant and equipment amounting to less than \$1,000 (30 June 2024: less than \$1,000) for the half year ended 30 June 2025.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

	Group	
	6 months ended 30 Jun 2025	6 months ended 30 Jun 2024
	\$'000	\$'000
Current year	5,291	9,662
Adjustment for prior years	14	-
Current tax expense	5,305	9,662
Deferred tax expense relating to origination and reversal of temporary differences	1,306	867
Total income tax expense	6,611	10,529

The effective tax rate for the period ended 30 June 2025 is 17.0% (30 June 2024: 16.7%).

8. Financial instruments

Accounting classifications and fair values

(i) 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.

(ii) Singapore Government debt securities, MAS bills and MAS FRN

Fair value is based on quoted market bid prices at the reporting date.

E. Notes to the condensed interim consolidated financial statements (continued)

8. Financial instruments (continued)

Accounting classifications and fair values (continued)

(iii) Investments (long-term), other financial assets and financial liabilities

Investments (long-term) in unquoted securities amounted to \$12,000, are classified as fair value through other comprehensive income and fully impaired as at 30 June 2025 (31 December 2024: \$12,000, fully impaired).

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.

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 the reporting dates. The aggregate net fair values of these financial assets and financial liabilities are disclosed in the following table:-

	<b>Group</b>			
	<b>Carrying amount 30 Jun 2025 \$'000</b>	<b>Fair value 30 Jun 2025 \$'000</b>	<b>Carrying amount 30 Jun 2024 \$'000</b>	<b>Fair value 30 Jun 2024 \$'000</b>
<b>Financial assets</b>				
Loans, advances and receivables	11,755,252	11,748,609	11,537,772	11,514,763
Singapore Government debt securities, MAS bills and MAS FRN	1,563,890	1,574,554	1,825,269	1,819,685
	<b>13,319,142</b>	<b>13,323,163</b>	13,363,041	13,334,448
<b>Financial liabilities</b>				
Deposits and balances of customers	(12,341,489)	(12,420,784)	(12,152,978)	(12,257,505)
	<b>977,653</b>	<b>902,379</b>	1,210,063	1,076,943

	<b>Company</b>			
	<b>Carrying amount 30 Jun 2025 \$'000</b>	<b>Fair value 30 Jun 2025 \$'000</b>	<b>Carrying amount 30 Jun 2024 \$'000</b>	<b>Fair value 30 Jun 2024 \$'000</b>
<b>Financial assets</b>				
Loans, advances and receivables	11,755,252	11,748,609	11,537,772	11,514,763
Singapore Government debt securities, MAS bills and MAS FRN	1,563,890	1,574,554	1,825,269	1,819,685
	<b>13,319,142</b>	<b>13,323,163</b>	13,363,041	13,334,448
<b>Financial liabilities</b>				
Deposits and balances of customers	(12,346,091)	(12,425,416)	(12,157,444)	(12,261,981)
	<b>973,051</b>	<b>897,747</b>	1,205,597	1,072,467



E. Notes to the condensed interim consolidated financial statements (continued)

8. Financial instruments (continued)

*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\**

The fair value of the portion of loans, advances and receivables being Level 3 instruments amounts to \$4.02 billion (31 December 2024: \$3.41 billion) against a carrying value of \$4.02 billion (31 December 2024: \$3.42 billion). Singapore Government debt securities, MAS bills and MAS FRN are Level 1 instruments with fair value of \$1.57 billion (31 December 2024: \$1.78 billion). The portion of deposits and balances of customers being Level 2 instruments have a fair value of \$9.27 billion (31 December 2024: \$9.38 billion) against a carrying value of \$9.19 billion (31 December 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.

E. Notes to the condensed interim consolidated financial statements (continued)

9. Borrowings

Included in borrowings are borrowings from Enterprise Singapore as follows:

	<b>Group and Company</b>	
	<b>30 Jun 2025</b>	31 Dec 2024
	<b>\$'000</b>	\$'000
Borrowings from Enterprise Singapore		
- Amount repayable within one year	<b>687</b>	808
- Amount repayable after one year	<b>382</b>	641
Total borrowings	<b>1,069</b>	1,449

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. Interest expense on Enterprise Singapore amounting to \$13,000 for the period ended 30 June 2025 (30 June 2024: \$25,000).

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. There are no outstanding borrowings from MAS SGD Facility for ESG loans as at 30 June 2025 (31 December 2024: \$Nil). Interest expense on MAS SGD Facility for ESG loans amounting to \$Nil for the period ended 30 June 2025 (30 June 2024: \$26,000).

There are no bank borrowings as at 30 June 2025 (31 December 2024: \$Nil). Interest expense on bank borrowings amounting to \$Nil for the period ended 30 June 2025 (30 June 2024: \$Nil).

10. During the six months ended 30 June 2025, the Group acquired property, plant and equipment amounting to \$1,458,000 (30 June 2024: \$2,044,000) and disposed of property, plant and equipment amounting to \$150,000 (30 June 2024: \$427,000).
11. There are no outstanding debt securities issuance as at 30 June 2025 (31 December 2024: \$Nil) for the Group and the Company.

F. Other information

1. Review of the performance of the Group

The Group reported a net profit after tax of \$32.2 million for the first half-year ended 30 June 2025, a decline of 38.7% as compared with the same period last year driven by compressed net interest margins at 1.3% amidst the prevailing market rate environment.

The compressed net interest margin stemmed from a significant decline in interest yields on loans and liquid assets, outpacing the reduction in deposit costs arising from falling benchmark interest rates. As a result, net interest income contracted by 20.8% to \$89.2 million.

Fee and commission income edged up 2.7% to \$4.1 million for the first half-year 2025, supported by healthy loan fee income.

During the reporting period, the Group recorded a moderate increase in staff costs, reflecting prudent headcount management and cost containment measures. Depreciation expenses saw a higher increase, mainly attributable to capitalized investments in IT infrastructure and HLF digital system. This aligns with the Group's continued focus on technology enablement and automation to strengthen our digital capabilities. Other operating costs recorded a notable increase, largely due to one-off project expenses, technology-related services, and consultancy costs tied to ongoing business transformation efforts. Overall, the total operating expenses were controlled at \$60.8m on a moderate rise of 9.1%.

Net allowances for loans and other financial assets were a net writeback of \$6.2 million for the first half-year 2025 as compared to \$2.1 million in the corresponding period. This included a net writeback of \$5.8 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 and a writeback of \$0.4 million in allowances for credit-impaired loans with loan repayment. Asset quality remained stable as the Group continued to exercise prudence in its credit risk management and close monitoring of high-risk sectors with adequate loss allowances to cover the loan portfolio. The non-performing loan ratio remained low at 0.4%.

Net loan assets totaling \$11,755 million as at 30 June 2025, increased by 0.8% or \$87 million over the previous year's base of \$11,668 million as at 31 December 2024 and 1.9% or \$217 million over corresponding period as at 30 June 2024. The loan portfolio remained largely secured.

In tandem with the increased loan assets, deposits and balances of customers increased to \$12,341 million as at 30 June 2025, representing an increase of 0.3% or \$41 million over the previous year's base of \$12,300 million as at 31 December 2024 and 1.6% or \$188 million over corresponding period as at 30 June 2024. Cash and cash equivalents including statutory deposit with the Monetary Authority of Singapore ("MAS") together with Singapore Government debt securities, MAS Bills and MAS FRN held as liquid assets amounted to \$2,842 million as at 30 June 2025 (31 December 2024: \$2,886 million). The Group maintained a strong liquidity buffer well above regulatory Minimum Liquid Asset ("MLA") and remained resilient to maneuver the evolving market conditions and economic uncertainties.

Group shareholders' funds as at 30 June 2025 totalled \$2,095 million (31 December 2024: \$2,108 million) with net asset value at \$4.67 per share (31 December 2024: \$4.70 per share). The Group's Capital Adequacy Ratio stood at 16.4% as at 30 June 2025, well capitalized above regulatory requirement to support lending activities and financial stability.

There has been no forecast or prospect statement previously disclosed to shareholders in respect of the period under review.

F. Other information (continued)

2. Commentary on significant trends and competitive conditions in the industry

According to advance estimates released by the Ministry of Trade and Industry (MTI), Singapore's economy expanded by 4.3% year-on-year in the second quarter of 2025, slightly outpacing the 4.1% growth recorded in the first quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.4%, rebounding from a 0.5% contraction in the previous quarter. This resulted in a 4.2% year-on-year GDP growth for the first half of 2025. The expansion was primarily supported by robust growth across key sectors, including manufacturing (5.5%), construction (4.9%), and services producing industries (4.1%).

Despite the improved performance in the first half, overall GDP growth for 2025 is expected to remain subdued, as global economic uncertainties persist. In particular, downside risks remain significant in the second half of the year, driven by ongoing ambiguity surrounding U.S. tariff policies and broader geopolitical developments. As such, the official full-year growth forecast remains unchanged at 0.0% to 2.0%.

On the global front, the U.S. Federal Reserve has maintained the federal funds rate at 4.25% to 4.50% since December 2024. This reflects a cautious monetary policy stance amid lingering inflationary pressures and heightened economic uncertainty, largely stemming from tariff-related disruptions.

Amidst external headwinds and a shifting competitive landscape, Hong Leong Finance ("HLF") has accelerated its strategic digitization and partnerships through the financial ecosystem to enhance customer engagement, diversify distribution channels, and to strengthen market position against the growing disruption from digital and alternative financing providers.

HLF achieved a significant milestone in its digital transformation strategy, aimed at scaling operations and elevating customer experience. A key achievement was the successful digitization of the vehicle loan application process through a bespoke, end-to-end digital platform designed for both car dealers and customers. This initiative has delivered remarkable business outcomes, streamlining operations while enhancing service quality.

The upcoming public launch of HLF Digital later this year represents a pivotal next step in our digital journey. HLF Digital will offer integrated omnichannel experience, enabling customers to perform financial transactions anytime, anywhere, while still enjoying the personalized service provided by our extensive branch network and trusted relationship managers. Through the continued expansion of our digital capabilities, we aim to set new benchmarks in customer engagement, operational efficiency, and sustainable growth.

In recognition of our leadership in digital automobile financing and customer-centric innovation, HLF was awarded the prestigious "Best Automobile Financing Product in Asia Pacific" by The Asian Banker, as well as the "SBR Technology Excellence Award 2025" by Singapore Business Review. Demonstrating the Company's enduring brand strength, HLF continued to garner multiple accolades in 2025, including being named "ASEAN Finance Company 2025" by Asian Banking & Finance, inclusion in the "Top 1000 World Banks" by The Banker, and recognition as one of the "Top 100 Most Valuable Singaporean Brands" by Brand Finance.

Looking ahead, the financial industry is expected to operate amid heightened macroeconomic uncertainty, shaped by persistent geopolitical tensions, moderating global growth, and shifting monetary policy landscapes. While central banks have signaled a potential gradual easing cycle, the path forward remains unclear, given ongoing inflationary pressures, geopolitical instability, and the impact of tariff measures.

In this evolving environment, HLF will prioritize efforts to support local SMEs, expand its green financing initiatives, enhance credit risk management frameworks, and continue the modernization of its infrastructure to ensure operational agility and resilience. With a clear focus on delivering sustainable, long-term value, HLF remains committed to meeting the changing needs of its customers and stakeholders, while contributing meaningfully to value creation in an increasingly competitive financial services landscape.

F. Other information (continued)

3. Dividends

The directors are pleased to declare an interim dividend of 2.75 cents per share (tax exempt one-tier) (2024: 3.75 cents per share, tax exempt one-tier) in respect of the financial year 2025. The interim dividend will be paid on 5 September 2025.

	Latest Period	Previous Period
Name of Dividend	Interim	Interim (paid on 5 September 2024)
Dividend Type	Cash	Cash
Dividend Rate	2.75 cents per share	3.75 cents per share
Total Dividend	\$12,338,000*	\$16,821,000
Tax Rate	Tax exempt one-tier	Tax exempt one-tier

\* The amount of dividend is computed on the shares in issue as at 30 June 2025. This amount is subject to change arising from the issue of shares upon exercise of options, if any, under the Hong Leong Finance Share Option Scheme 2001 ("Share Option Scheme") between 30 June 2025 and the last day for exercise of options to determine shareholders' entitlement to the interim dividend.

4. Shares issued and outstanding convertibles

Since the end of the previous financial year,

- (i) the Company issued the following 82,000 shares upon exercise of options under the Share Option Scheme

Share price	Number of shares issued
\$2.31	66,500
\$2.34	13,000
\$2.38	2,500
Total	82,000

- (ii) options to 532,650 shares under the Share Option Scheme lapsed upon cessation of employment of participants.

As at the end of the period, unissued shares of the Company under options amounted to 15,829,510 shares (30 June 2024: 15,641,425 shares).

Pursuant to the Finance Companies Act 1967, the Company does not hold treasury shares and accordingly, there were no treasury shares held as at 30 June 2025 and 30 June 2024. There were also no shares held as subsidiary holdings as at 30 June 2025 and 30 June 2024.

F. Other information (continued)

5. Closure of books

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed from 5.00 pm on 21 August 2025 up to (and including) 22 August 2025. Duly completed registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to 5.00 pm on 21 August 2025 will be registered to determine shareholders' entitlement to the interim dividend. In respect of shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP which will distribute the interim dividend to holders of the securities accounts.

6. Shareholders' mandate for interested person transactions

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

7. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD  
ENID LING PEEK FONG  
NG SIEW PING, JASLIN  
COMPANY SECRETARIES

Dated this 8<sup>th</sup> day of August 2025

**Directors' Confirmation**

The Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited condensed interim financial statements for the half year ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Kwek Leng Beng**

Director

**Peter Chay Fook Yuen**

Director

**Singapore**

8 August 2025