

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | Note | The Group | | The Company | |
|---|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| ASSETS | | | | | |
| Cash and short term funds | | 352,914 | 322,674 | 34,892 | 27,893 |
| Deposits and placements with banks and other financial institutions | | 140,012 | 100,021 | - | - |
| Financial assets at fair value through profit or loss ("FVTPL") | 10 | 633,386 | 381,123 | 358,334 | 355,215 |
| Financial investments at fair value through other comprehensive income ("FVOCI") | 11 | 1,838,115 | 1,256,640 | - | - |
| Financial investments at amortised cost | 12 | 1,138,237 | 1,250,442 | - | - |
| Derivative financial assets | 18 | 67,036 | 38,393 | - | - |
| Loans and advances | 13 | 409,817 | 393,720 | - | - |
| Clients' and brokers' balances | 14 | 140,476 | 316,276 | - | - |
| Other assets | 15 | 47,745 | 41,077 | 187 | 333 |
| Statutory deposits with Bank Negara Malaysia | | 52,350 | - | - | - |
| Tax recoverable | | 155 | 28 | 125 | - |
| Investment in subsidiary companies | | - | - | 246,574 | 246,574 |
| Deferred tax assets | | 97,574 | 112,034 | - | - |
| Property and equipment | | 5,398 | 9,271 | - | - |
| Right-of-use assets ("ROU") | | 13,799 | 17,122 | - | - |
| Goodwill | | 33,059 | 33,059 | - | - |
| Other intangible assets | | 5,688 | 4,993 | - | - |
| TOTAL ASSETS | | 4,975,761 | 4,276,873 | 640,112 | 630,015 |
| LIABILITIES | | | | | |
| Deposits from customers | 16 | 703,676 | 759,636 | - | - |
| Deposits and placements of banks and other financial institutions | 17 | 2,858,234 | 1,907,235 | - | - |
| Derivative financial liabilities | 18 | 54,074 | 26,705 | - | - |
| Clients' and brokers' balances | | 145,393 | 306,901 | - | - |
| Lease liabilities | | 13,432 | 16,548 | - | - |
| Other liabilities | 19 | 135,271 | 212,361 | 1,139 | 1,106 |
| Current tax liabilities | | 110 | 2,301 | - | 220 |
| Subordinated obligations | 20 | 100,195 | 100,193 | - | - |
| TOTAL LIABILITIES | | 4,010,385 | 3,331,880 | 1,139 | 1,326 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | Note | The Group | | The Company | |
|--|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| EQUITY | | | | | |
| Share capital | | 246,896 | 246,896 | 246,896 | 246,896 |
| Reserves | | 749,637 | 729,254 | 423,121 | 412,837 |
| Treasury shares for ESOS | | (31,157) | (31,157) | (31,044) | (31,044) |
| TOTAL EQUITY | | 965,376 | 944,993 | 638,973 | 628,689 |
| TOTAL LIABILITIES AND EQUITY | | 4,975,761 | 4,276,873 | 640,112 | 630,015 |
| COMMITMENTS AND CONTINGENCIES | | | | | |
| | 27 | 8,278,632 | 5,967,639 | - | - |
| Net assets per share attributable to ordinary equity holder of the Company (RM) | | | | | |
| | | 4.09 | 4.01 | | |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Current quarter ended 30/06/2023 | Last year quarter ended 30/06/2022 | Current year to date 30/06/2023 | Last year to date 30/06/2022 |
|---|--|--|---------------------------------------|------------------------------------|
| Note | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group | | | | |
| Interest income | 21a | 35,914 | 27,399 | 133,084 |
| Interest income for financial assets at FVTPL | 21b | 5,144 | 5,156 | 22,110 |
| Interest expense | 22 | (28,102) | (19,394) | (101,772) |
| Net interest income | | 12,956 | 13,161 | 53,422 |
| Non-interest income | 23 | 30,588 | 33,471 | 142,904 |
| Net income | | 43,544 | 46,632 | 196,326 |
| Overhead expenses | 24 | (35,109) | (34,331) | (135,097) |
| Operating profit before allowances (Allowance for)/write-back of impairment losses on loans and advances | 25 | 8,435 | 12,301 | 61,229 |
| Write-back of allowance for impairment losses on financial investments and other financial assets | 26 | (49) | 27 | 9 |
| Profit before taxation | | 492 | 116 | 190 |
| Taxation | | (820) | (4,245) | (11,552) |
| Net profit for the financial year | | 8,058 | 8,199 | 49,876 |
| Earnings per share (sen) | | | | |
| - Basic | | 3.4 | 3.5 | 21.2 |
| - Diluted | | 3.4 | 3.5 | 21.2 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|---|--|--|---|--|
| The Group | | | | |
| Net profit for the financial year | 8,058 | 8,199 | 49,876 | 72,463 |
| Other comprehensive income/(expense): | | | | |
| Items that will be reclassified subsequently to income statements | | | | |
| Debt instruments at FVOCI | | | | |
| - Net fair value changes | 1,240 | (6,187) | 20,127 | (30,187) |
| - Net changes in expected credit losses | 28 | (205) | 9 | (214) |
| Income tax relating to net fair value changes on financial investments at FVOCI | (297) | 1,485 | (4,830) | 7,245 |
| Other comprehensive income/(expense) for the financial year, net of tax | 971 | (4,907) | 15,306 | (23,156) |
| Total comprehensive income for the financial year, net of tax | 9,029 | 3,292 | 65,182 | 49,307 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Current quarter ended 30/06/2023 | Last year quarter ended 30/06/2022 | Current year to date 30/06/2023 | Last year to date 30/06/2022 |
|---|--|--|---------------------------------------|------------------------------------|
| Note | RM'000 | RM'000 | RM'000 | RM'000 |
| The Company | | | | |
| Interest income | 21a 161 | 5 | 561 | 23 |
| Interest expense | 22 - | - | - | - |
| Net interest income | 161 | 5 | 561 | 23 |
| Non-interest income | 23 8,211 | 16,182 | 56,408 | 176,751 |
| Net income | 8,372 | 16,187 | 56,969 | 176,774 |
| Overhead expenses | 24 (493) | (330) | (1,774) | (1,275) |
| Profit before taxation | 7,879 | 15,857 | 55,195 | 175,499 |
| Taxation | (5) | 96 | (92) | (719) |
| Net profit/total comprehensive income for the financial year | 7,874 | 15,953 | 55,103 | 174,780 |
| Earnings per share (sen) | | | | |
| - Basic | 3.3 | 6.8 | 23.4 | 74.1 |
| - Diluted | 3.3 | 6.8 | 23.4 | 74.1 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Attributable to owners of the parent | | | | | Total RM'000 |
|---|--------------------------------------|--|----------------------------------|------------------------------------|-------------------------------|-----------------|
| | Share Capital RM'000 | Treasury Shares for ESOS RM'000 | Regulatory Reserves RM'000 | Fair Value Reserve RM'000 | Retained Profits RM'000 | |
| The Group | | | | | | |
| At 1 July 2022 | 246,896 | (31,157) | 12,148 | (19,792) | 736,898 | 944,993 |
| Net profit for the financial year | - | - | - | - | 49,876 | 49,876 |
| Other comprehensive income, net of tax | - | - | - | 15,306 | - | 15,306 |
| Total comprehensive income | - | - | - | 15,306 | 49,876 | 65,182 |
| Transfer to regulatory reserve | - | - | 2,281 | - | (2,281) | - |
| Dividend paid | - | - | - | - | (44,799) | (44,799) |
| At 30 June 2023 | 246,896 | (31,157) | 14,429 | (4,486) | 739,694 | 965,376 |
| At 1 July 2021 | 246,896 | (31,157) | 13,149 | 3,364 | 724,739 | 956,991 |
| Net profit for the financial year | - | - | - | - | 72,463 | 72,463 |
| Other comprehensive expense, net of tax | - | - | - | (23,156) | - | (23,156) |
| Total comprehensive (expense)/income | - | - | - | (23,156) | 72,463 | 49,307 |
| Transfer from regulatory reserve | - | - | (1,001) | - | 1,001 | - |
| Dividend paid | - | - | - | - | (61,305) | (61,305) |
| At 30 June 2022 | 246,896 | (31,157) | 12,148 | (19,792) | 736,898 | 944,993 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Non-Distributable | | Distributable | |
|-----------------------------------|----------------------------|--|-------------------------------|-----------------|
| | Share Capital RM'000 | Treasury Shares for ESOS RM'000 | Retained Profits RM'000 | Total RM'000 |
| The Company | | | | |
| At 1 July 2022 | 246,896 | (31,044) | 412,837 | 628,689 |
| Net profit for the financial year | - | - | 55,103 | 55,103 |
| Total comprehensive income | - | - | 55,103 | 55,103 |
| Dividend paid | - | - | (44,819) | (44,819) |
| At 30 June 2023 | 246,896 | (31,044) | 423,121 | 638,973 |
| At 1 July 2021 | 246,896 | (31,044) | 299,389 | 515,241 |
| Net profit for the financial year | - | - | 174,780 | 174,780 |
| Total comprehensive income | - | - | 174,780 | 174,780 |
| Dividend paid | - | - | (61,332) | (61,332) |
| At 30 June 2022 | 246,896 | (31,044) | 412,837 | 628,689 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | The Group | |
|--|-------------------|-------------------|
| | 30/06/2023 | 30/06/2022 |
| | RM'000 | RM'000 |
| <u>Cash flows from operating activities</u> | | |
| Profit before taxation | 61,428 | 97,172 |
| <u>Adjustments for non-cash items:</u> | | |
| - Depreciation of property and equipment | 4,532 | 4,036 |
| - Amortisation of intangible assets | 2,311 | 1,884 |
| - Depreciation of ROU assets | 4,001 | 3,982 |
| - Gain on liquidation of a subsidiary | (232) | - |
| - Gain on disposal of property and equipment | (3) | (35) |
| - Property and equipment written off | - | 5 |
| - Write-back of allowance for impairment losses on loans and advances | (9) | (174) |
| - Write-back of allowance for impairment losses on financial investments and other financial assets | (157) | (388) |
| - Net unrealised loss/(gain) on revaluation of: | | |
| - Financial assets at FVTPL | 1,041 | 10,085 |
| - Derivative financial instruments | (215) | (14,023) |
| - Net unrealised loss on fair value changes arising from fair value hedges | 74 | 2,166 |
| - Net realised (gain)/loss arising from sale of financial investment at FVOCI | (3,826) | 6,364 |
| - Interest income from: | | |
| - Financial assets at FVTPL | (22,110) | (23,989) |
| - Financial investments at FVOCI | (48,019) | (40,653) |
| - Financial investments at amortised cost | (33,157) | (33,625) |
| - Interest expense from: | | |
| - Derivative financial instruments | 8,413 | 28,578 |
| - Subordinated obligations | 4,232 | 4,231 |
| - Lease liabilities | 714 | 812 |
| - Dividend income from: | | |
| - Financial assets at FVTPL | (12,290) | (8,652) |
| | (94,700) | (59,396) |
| Operating (loss)/profit before changes in working capital | (33,272) | 37,776 |
| | | |
| Changes in working capital: | | |
| - Deposits and placements with banks and other financial institutions with original maturity of more than three months | (10,000) | - |
| - Financial assets at FVTPL | (251,078) | 398,821 |
| - Derivative financial instruments | (2) | 7 |
| - Loans and advances | (16,089) | (57,787) |
| - Clients' and brokers' balances | 175,932 | (111,354) |
| - Other assets | (6,633) | 17,155 |
| - Statutory deposits with Bank Negara Malaysia | (52,350) | - |
| Net changes in operating assets | (160,220) | 246,842 |
| | | |
| - Deposits from customers | (55,960) | 58,098 |
| - Deposits and placements of banks and other financial institutions | 950,999 | (142,187) |
| - Clients' and brokers' balances | (161,508) | 99,718 |
| - Other liabilities | (77,040) | 63,948 |
| Net changes in operating liabilities | 656,491 | 79,577 |
| Cash generated from operating activities | 462,999 | 364,195 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | The Group | |
|---|-------------------|-------------------|
| | 30/06/2023 | 30/06/2022 |
| | RM'000 | RM'000 |
| Cash generated from operating activities | 462,999 | 364,195 |
| Net income tax paid | (4,239) | (5,766) |
| Net cash generated from operating activities | 458,760 | 358,429 |
| | | |
| <u>Cash flows from investing activities</u> | | |
| Net (purchases)/disposals of financial investments at FVOCI | (563,743) | 39,040 |
| Net proceeds/(purchases) of financial investments at amortised cost | 101,946 | (196,252) |
| Dividend received from: | | |
| - Financial assets at FVTPL | 12,290 | 8,652 |
| Proceeds from liquidation of a subsidiary | 232 | - |
| Interest received from financial assets at FVTPL, financial investments at FVOCI, financial investments at amortised cost and derivatives | 117,862 | 119,311 |
| Interest expenses paid on derivative financial instruments | (9,866) | (30,536) |
| Proceeds from disposal of property and equipment | 3 | 35 |
| Purchase of property and equipment | (659) | (3,512) |
| Purchase of intangible assets | (3,006) | (3,708) |
| Net cash used in investing activities | (344,941) | (66,970) |
| | | |
| <u>Cash flows from financing activities</u> | | |
| Interest paid on subordinated obligations | (4,230) | (4,230) |
| Lease payment | (4,559) | (4,401) |
| Dividend paid | (44,799) | (61,305) |
| Net cash used in financing activities | (53,588) | (69,936) |
| | | |
| Net changes in cash and cash equivalents during the financial year | 60,231 | 221,523 |
| Cash and cash equivalents at beginning of the financial year | 422,695 | 201,172 |
| Cash and cash equivalents at end of the financial year | 482,926 | 422,695 |
| | | |
| Cash and cash equivalents comprise: | | |
| Cash and short term funds | 352,914 | 322,674 |
| Deposits and placements with banks and other financial institutions | 140,012 | 100,021 |
| | 492,926 | 422,695 |
| | | |
| Less: | | |
| Deposits and placements with banks and other financial institutions with original maturity of more than three months | (10,000) | - |
| | 482,926 | 422,695 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD
Registration No: 199101002695 (213006-U)
CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | The Company | |
|---|--------------------|-------------------|
| | 30/06/2023 | 30/06/2022 |
| | RM'000 | RM'000 |
| <u>Cash flows from operating activities</u> | | |
| Profit before taxation | 55,195 | 175,499 |
| <u>Adjustments for non-cash items:</u> | | |
| - Net unrealised (gain)/loss on revaluation of financial assets at FVTPL | 554 | 9,440 |
| - Dividend income from: | | |
| - Financial assets at FVTPL | (10,680) | (7,442) |
| - Subsidiary companies | (46,440) | (175,750) |
| | (56,566) | (173,752) |
| Operating (loss)/profit before changes in working capital | (1,371) | 1,747 |
| Increase in financial assets at FVTPL | (3,673) | (95,621) |
| Decrease/(Increase) in other assets | 146 | (114) |
| Increase/(Decrease) in other liabilities | 33 | (415) |
| Cash used in operating activities | (4,865) | (94,403) |
| Net income tax paid | (437) | (724) |
| Net cash used in operating activities | (5,302) | (95,127) |
| <u>Cash flows from investing activities</u> | | |
| Dividend received from: | | |
| - Financial assets at FVTPL | 10,680 | 7,442 |
| - Subsidiary companies | 46,440 | 175,750 |
| Net cash generated from investing activities | 57,120 | 183,192 |
| <u>Cash flows from financing activities</u> | | |
| Dividend paid | (44,819) | (61,332) |
| Net cash used in financing activities | (44,819) | (61,332) |
| Net changes in cash and cash equivalents during the financial year | 6,999 | 26,733 |
| Cash and cash equivalents at beginning of the financial year | 27,893 | 1,160 |
| Cash and cash equivalents at end of the financial year | 34,892 | 27,893 |
| Cash and cash equivalents comprise: | | |
| Cash and short term funds | 34,892 | 27,893 |

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2022

HONG LEONG CAPITAL BERHAD ("HLCB" or "Company")

Registration No: 199101002695 (213006-U)

**NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Explanatory Notes pursuant to the Malaysian Financial Reporting Standard 134 ("MFRS 134") and Guidelines on Financial Reporting issued by Bank Negara Malaysia ("BNM")

1. Basis of preparation

The unaudited condensed financial statements for the financial year ended 30 June 2023 have been prepared under the historical cost convention, as modified by the revaluation of financial investments at fair value through other comprehensive income ("FVOCI") and financial assets/financial liabilities (including derivative financial instruments) at fair value through profit or loss ("FVTPL").

The unaudited condensed financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited annual financial statements for the Group and the Company for the financial year ended 30 June 2022. The explanatory notes attached to the unaudited condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 30 June 2022.

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2022 and modified for the adoption of the following Amendments to MFRSs applicable for financial year beginning on or after 1 July 2022:

- Amendments to MFRS 116 'Proceeds before Intended Use'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'
- Annual Improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Annual Improvements to MFRS 1 'Subsidiary as First-time Adopter'
- Annual Improvements to MFRS 141 'Taxation in Fair Value Measurements'
- Amendments to MFRS 3 'Reference to the Conceptual Framework'

The adoption of the above amendments to published standards are not expected to have significant impact on the financial results of the Group and the Company.

The preparation of unaudited condensed financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2. Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2022 was not qualified.

3. Comments about seasonal or cyclical factors

The operations of the Group and the Company were not materially affected by any seasonal or cyclical factors during the financial quarter ended 30 June 2023.

HLCB Q4 (30.06.2023)

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group and the Company during the financial quarter ended 30 June 2023.

5. Change in estimate

There were no material changes in estimate of amount reported in prior financial year that have a material effect in the financial quarter ended 30 June 2023.

6. Debt and Equity Securities

There were no new issuance and repayment of debt and equity securities, share-buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 30 June 2023, other than as mentioned below.

Purchase of shares pursuant to ESOS

In accordance with MFRS 132 "Financial instruments: Presentation and Disclosure", the shares purchased for the benefit of the ESOS holdings are recorded as "Treasury Shares for ESOS" in equity on the statements of financial position.

Total shares held by ESOS Trust comprise 11,110,700 (30.06.2022: 11,110,700) shares in the Group costing RM31,157,101 (30.06.2022: RM31,157,101) inclusive of transaction costs, as at 30 June 2023.

7. Dividends payable/paid

On 30 August 2022, the Board of Directors declared a final single-tier dividend of 19.0 sen per share in respect of the financial year ended 30 June 2022. The final single-tier dividend of 19.0 sen amounting to RM44.8 million was paid on 17 November 2022.

8. Valuations of property, plant and equipment

No valuations of property, plant and equipment were carried out for the financial quarter ended 30 June 2023.

9. Subsequent events

There were no material events subsequent to the end of the reporting quarter that require disclosure or adjustment to the unaudited interim financial statements.

HLCB Q4 (30.06.2023)

10. Financial assets at fair value through profit or loss ("FVTPL")

| | The Group | | The Company | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Money market instruments | | | | |
| Malaysian Government Securities | 61,789 | - | - | - |
| Malaysian Government Investment Issues | 122,507 | - | - | - |
| Negotiable instruments of deposits | 49,885 | - | - | - |
| | <u>234,181</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Quoted securities | | | | |
| In Malaysia: | | | | |
| Shares | 55,593 | 54,104 | 49,699 | 48,139 |
| Unit trust investment | 308,839 | 307,276 | 308,635 | 307,076 |
| | <u>364,432</u> | <u>361,380</u> | <u>358,334</u> | <u>355,215</u> |
| Unquoted securities | | | | |
| Corporate bond and/or sukuk | 34,773 | 19,743 | - | - |
| | <u>633,386</u> | <u>381,123</u> | <u>358,334</u> | <u>355,215</u> |

11. Financial investments at fair value through other comprehensive income ("FVOCI")

| | The Group | |
|--|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Money market instruments | | |
| Malaysian Government Securities | 214,625 | 120,972 |
| Malaysian Government Investment Issues | 449,106 | 242,625 |
| Cagamas bonds | 85,085 | 69,603 |
| | <u>748,816</u> | <u>433,200</u> |
| Unquoted securities | | |
| Foreign currency bonds | 72,512 | 70,227 |
| Corporate bond and/or sukuk | 1,016,787 | 753,213 |
| | <u>1,089,299</u> | <u>823,440</u> |
| | <u>1,838,115</u> | <u>1,256,640</u> |

HLCB Q4 (30.06.2023)

11. Financial investments at fair value through other comprehensive income ("FVOCI") (continued)

Movements in expected credit losses of debt instruments at FVOCI are as follows:-

| The Group | 12 Months ECL (Stage 1) RM'000 | Lifetime ECL not credit impaired (Stage 2) RM'000 | Lifetime ECL credit impaired (Stage 3) RM'000 | Total ECL RM'000 |
|--|---|--|--|-----------------------------|
| At 1 July 2022 | 158 | - | - | 158 |
| Allowances made | 8 | - | - | 8 |
| Amount written back | (14) | - | - | (14) |
| New financial assets originated or purchased | 40 | - | - | 40 |
| Financial assets derecognised | (24) | - | - | (24) |
| Exchange differences | (1) | - | - | (1) |
| At 30 June 2023 | <u>167</u> | <u>-</u> | <u>-</u> | <u>167</u> |
| At 1 July 2021 | 372 | - | - | 372 |
| Allowances made | 15 | - | - | 15 |
| Amount written back | (18) | - | - | (18) |
| New financial assets originated or purchased | 59 | - | - | 59 |
| Financial assets derecognised | (261) | - | - | (261) |
| Exchange differences | (9) | - | - | (9) |
| At 30 June 2022 | <u>158</u> | <u>-</u> | <u>-</u> | <u>158</u> |

12. Financial investments at amortised cost

| | The Group | |
|--|--|--|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Money market instruments | | |
| Malaysian Government Securities | 597,232 | 626,305 |
| Malaysian Government Investment Issues | 501,501 | 585,104 |
| | <u>1,098,733</u> | <u>1,211,409</u> |
| Unquoted securities | | |
| Corporate bond and/or sukuk | 39,504 | 39,033 |
| Less: Expected credit losses | - | - |
| | <u>1,138,237</u> | <u>1,250,442</u> |

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12. Financial investments at amortised cost (continued)

Movements in expected credit losses of financial investments at amortised cost are as follows:

| The Group | 12 Months ECL (Stage 1) RM'000 | Lifetime ECL not credit impaired (Stage 2) RM'000 | Lifetime ECL credit impaired (Stage 3) RM'000 | Total ECL RM'000 |
|-------------------------------|---|--|--|-----------------------------|
| At 1 July 2022/30 June 2023 | - | - | - | - |
| At 1 July 2021 | 12 | - | - | 12 |
| Financial assets derecognised | (12) | - | - | (12) |
| At 30 June 2022 | - | - | - | - |

13. Loans and advances

| | The Group | |
|---|--|--|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Term loan financing | 106,109 | 64,536 |
| Share margin financing | 303,898 | 329,373 |
| Staff loans | 22 | 30 |
| Other loans | 126 | 128 |
| Gross loans and advances | 410,155 | 394,067 |
| Less: Expected credit losses | (338) | (347) |
| Net loans and advances | 409,817 | 393,720 |
| a. <u>By type of customer</u> | | |
| Domestic non-bank financial institutions | | |
| - Others | 30,082 | 30,060 |
| Domestic business enterprises | | |
| - Small and medium enterprises | 53,024 | 60,626 |
| - Others | 121,410 | 77,956 |
| Individuals | 200,679 | 222,711 |
| Foreign entities | 4,960 | 2,714 |
| Gross loans and advances | 410,155 | 394,067 |
| b. <u>By interest rate sensitivity</u> | | |
| Fixed rate | | |
| - Staff housing loans | 22 | 30 |
| - Other fixed rate loan | 126 | 128 |
| Variable rate | | |
| - Cost plus | 410,007 | 393,909 |
| Gross loans and advances | 410,155 | 394,067 |

13. Loans and advances (continued)

| | The Group | |
|--|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| c. <u>By residual contractual maturity</u> | | |
| Maturity within one year | 374,785 | 352,548 |
| More than one year to three years | 30,022 | 36,121 |
| More than three years to five years | 5,222 | - |
| More than five years | 126 | 5,398 |
| Gross loans and advances | <u>410,155</u> | <u>394,067</u> |
| d. <u>By geographical distribution</u> | | |
| Malaysia | <u>410,155</u> | <u>394,067</u> |
| e. <u>By economic purpose</u> | | |
| Purchase of securities | 374,699 | 335,572 |
| Working capital | 5,226 | 28,277 |
| Purchase of landed properties | 148 | 158 |
| Others | 30,082 | 30,060 |
| Gross loans and advances | <u>410,155</u> | <u>394,067</u> |
| f. Impaired loans and advances | | |
| (i) Movements in impaired loans and advances ("impaired loans") are as follows: | | |
| At 1 July | 128 | 265 |
| Impaired during the financial year | 6 | 12 |
| Amount written-back during the financial year | (8) | (87) |
| Amount written-off during the financial year | - | (62) |
| At 30 June | <u>126</u> | <u>128</u> |
| (ii) <u>By geographical distribution</u> | | |
| Malaysia | <u>126</u> | <u>128</u> |
| (iii) <u>By economic purpose</u> | | |
| Purchase of landed properties | <u>126</u> | <u>128</u> |

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13. Loans and advances (continued)

g. Movements in expected credit losses are as follows:

| The Group | 12 Months | Lifetime ECL | Lifetime ECL | Total ECL |
|---------------------------------|------------------|---------------------|---------------------|------------------|
| | ECL | not credit | credit | |
| | (Stage 1) | (Stage 2) | (Stage 3) | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 July 2022 | 310 | 37 | - | 347 |
| Transferred to Stage 1 | 20 | (20) | - | - |
| Transferred to Stage 2 | (17) | 17 | - | - |
| New financial assets originated | 5 | - | - | 5 |
| Financial assets derecognised | (4) | - | - | (4) |
| Allowance made | 105 | 14 | - | 119 |
| Allowance written-back | (104) | (25) | - | (129) |
| At 30 June 2023 | 315 | 23 | - | 338 |
| At 1 July 2021 | 263 | 194 | 126 | 583 |
| Transferred to Stage 1 | 144 | (29) | (115) | - |
| Transferred to Stage 2 | (22) | 22 | - | - |
| New financial assets originated | 11 | 10 | - | 21 |
| Financial assets derecognised | (4) | - | (80) | (84) |
| Allowance made | 188 | - | 115 | 303 |
| Allowance written-back | (270) | (160) | - | (430) |
| Allowance written-off | - | - | (46) | (46) |
| At 30 June 2022 | 310 | 37 | - | 347 |

14. Clients' and brokers' balances

| | The Group | |
|------------------------------|-------------------|-------------------|
| | As at | As at |
| | 30/06/2023 | 30/06/2022 |
| | RM'000 | RM'000 |
| Performing accounts | 139,919 | 314,413 |
| Impaired accounts | 1,423 | 2,861 |
| | 141,342 | 317,274 |
| Less: Expected credit losses | (866) | (998) |
| | 140,476 | 316,276 |

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15. Other assets

| | The Group | | The Company | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Amount due from related companies | - | 117 | - | 114 |
| Deposits and prepayments | 10,540 | 9,560 | 24 | 27 |
| Fee income receivable | 9,100 | 10,930 | - | - |
| Cash collaterals pledged for derivative transactions | 9,651 | 10,120 | - | - |
| Amount due from unit trust funds | 8,212 | 7,414 | - | - |
| Other receivables | 5,890 | 4,631 | 163 | 192 |
| Manager's stocks and consumables | 5,737 | 275 | - | - |
| | 49,130 | 43,047 | 187 | 333 |
| Less: Expected credit losses | (1,385) | (1,970) | - | - |
| | 47,745 | 41,077 | 187 | 333 |

16. Deposits from customers

| | The Group | |
|---|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| a. <u>By type of deposits</u> | | |
| Fixed deposits | 703,676 | 759,636 |
| b. <u>By type of customer</u> | | |
| Government and statutory bodies | 440,357 | 553,869 |
| Business enterprises | 250,563 | 192,248 |
| Individuals | 12,756 | 13,519 |
| | 703,676 | 759,636 |
| c. The maturity structure of fixed deposits are as follows: | | |
| Due within: | | |
| - six months | 703,676 | 758,405 |
| - six months to one year | - | 1,231 |
| | 703,676 | 759,636 |

17. Deposits and placements of banks and other financial institutions

| | The Group | |
|------------------------------|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Licensed banks | 449,219 | 264,951 |
| Licensed investment banks | 132,865 | 22,067 |
| Other financial institutions | 2,276,150 | 1,620,217 |
| | 2,858,234 | 1,907,235 |

18. Derivative financial assets/(liabilities)

| The Group | Contract or underlying principal amount RM'000 | Positive fair value RM'000 | Negative fair value RM'000 |
|---|---|---|---|
| 30/06/2023 | | | |
| Derivatives at FVTPL: | | | |
| (i) Interest rate related contracts: | | | |
| - Interest rate swaps | 4,270,000 | 23,444 | (13,793) |
| (ii) Foreign exchange related contracts: | | | |
| - Foreign currency swaps | 2,914,410 | 42,691 | (40,058) |
| - Foreign currency forwards | 175,559 | 879 | (223) |
| (iii) Equity related contracts: | | | |
| - Call option | 200 | 22 | - |
| | <u>7,360,169</u> | <u>67,036</u> | <u>(54,074)</u> |
| 30/06/2022 | | | |
| Derivatives at FVTPL: | | | |
| (i) Interest rate related contracts: | | | |
| - Interest rate swaps | 3,303,000 | 31,048 | (16,729) |
| - Futures | 149,897 | 236 | (1,061) |
| (ii) Foreign exchange related contracts: | | | |
| - Foreign currency swaps | 1,340,695 | 5,249 | (8,601) |
| - Foreign currency forwards | 175,960 | 931 | (194) |
| (iii) Equity related contracts: | | | |
| - Call option | 200 | 50 | - |
| Derivatives designated as fair value hedge: | | | |
| - Interest rate swap | 70,000 | 879 | (120) |
| | <u>5,039,752</u> | <u>38,393</u> | <u>(26,705)</u> |

19. Other liabilities

| | The Group | | The Company | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| Amount due to holding company | 156 | 122 | 13 | 13 |
| Amount due to related companies | 621 | 660 | 263 | - |
| Remisiers' trust deposits | 13,893 | 14,605 | - | - |
| Treasury related payables | 14,782 | 20,317 | - | - |
| Advance payments received for corporate exercise | 8,108 | 65,383 | - | - |
| Other payables and accrued liabilities | 97,489 | 111,053 | 863 | 1,093 |
| Post employment benefits obligation - defined contribution plan | 222 | 221 | - | - |
| | 135,271 | 212,361 | 1,139 | 1,106 |

20. Subordinated obligations

| | The Group | |
|---|-------------------------------|-------------------------------|
| | As at 30/06/2023 RM'000 | As at 30/06/2022 RM'000 |
| RM100.0 million Tier 2 subordinated notes, at par | 100,000 | 100,000 |
| Add: Interest payable | 197 | 197 |
| | 100,197 | 100,197 |
| Less: Unamortised discounts | (2) | (4) |
| | 100,195 | 100,193 |

On 6 November 2014, Hong Leong Investment Bank Berhad ("HLIB") had completed the first issuance of RM50.0 million nominal value of Tier 2 Subordinated Notes ("Sub-Notes") out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The RM50.0 million Sub-Notes will mature in 2024 and is callable on any coupon payment date falling on or after the 5th anniversary of the issue date. The Sub-Notes which bears interest rate of 5.30% per annum is payable semi-annually in arrears. The exercise of the call option on the Sub-Notes shall be subject to the approval of BNM.

The Sub-Notes constitute unsecured liabilities of HLIB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLIB in accordance with the terms and conditions of the issue, except to those liabilities, which by their terms, rank equally in right of payment with or are subordinated to the Sub-Notes. The Sub-Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLIB.

Subsequently, on 14 June 2019, HLIB issued a second tranche of RM100.0 million nominal value of 10-year non-callable 5 years Sub Notes callable on 14 June 2024 (and thereafter) and due on 14 June 2029 out of its RM1.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this second tranche of the Sub Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue.

On 6 November 2019, HLIB had fully redeemed the first issuance of RM50.0 million nominal value of this Sub Notes.

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21a. Interest income

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|--|--|--|---|--|
| The Group | | | | |
| Loan and advances | 5,326 | 4,290 | 19,404 | 16,484 |
| Money at call and deposits placements with banks and other financial institutions | 965 | 805 | 4,012 | 1,786 |
| Financial investments at FVOCI | 13,868 | 9,750 | 48,019 | 40,653 |
| Financial investments at amortised cost | 8,184 | 8,402 | 33,157 | 33,625 |
| Others | 7,571 | 4,152 | 28,492 | 16,347 |
| Total interest income | <u>35,914</u> | <u>27,399</u> | <u>133,084</u> | <u>108,895</u> |
| The Company | | | | |
| Money at call and deposits placements with banks and other financial institutions | <u>161</u> | <u>5</u> | <u>561</u> | <u>23</u> |

21b. Interest income for financial assets at FVTPL

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|---------------------------|--|--|---|--|
| The Group | | | | |
| Financial assets at FVTPL | <u>5,144</u> | <u>5,156</u> | <u>22,110</u> | <u>23,989</u> |

22. Interest expense

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|--|--|--|---|--|
| The Group | | | | |
| Deposits and placements of banks and other financial institutions | 6,540 | 1,486 | 22,626 | 4,836 |
| Deposits from customers | 18,753 | 11,148 | 65,344 | 44,029 |
| Derivative financial instruments | 1,478 | 5,437 | 8,413 | 28,578 |
| Subordinated obligations | 1,055 | 1,054 | 4,232 | 4,231 |
| Lease liabilities | 166 | 202 | 714 | 812 |
| Others | 110 | 67 | 443 | 599 |
| Total interest expense | <u>28,102</u> | <u>19,394</u> | <u>101,772</u> | <u>83,085</u> |

23. Non-interest income

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|---|--|--|---|--|
| The Group | | | | |
| (a) Fee income: | | | | |
| Fee on loans and advances | 256 | 1 | 1,009 | 341 |
| Arranger fees | 2,324 | 30 | 2,740 | 1,503 |
| Placement fees | 833 | 4,824 | 10,238 | 8,973 |
| Corporate advisory fees | 546 | 4,995 | 5,006 | 9,970 |
| Underwriting Commission | - | 740 | 854 | 1,343 |
| Brokerage commissions | 10,641 | 11,448 | 44,721 | 67,241 |
| Commission from futures contracts | 215 | 163 | 913 | 908 |
| Unit trust fee income | 11,583 | 11,974 | 46,106 | 58,104 |
| Other fee income | 964 | 1,205 | 5,554 | 4,743 |
| | <u>27,362</u> | <u>35,380</u> | <u>117,141</u> | <u>153,126</u> |
| (b) Net income from securities: | | | | |
| Net realised gain/(loss) arising from sale of: | | | | |
| - Financial assets at FVTPL | 131 | (3,258) | (1,808) | (5,423) |
| - Financial investments at FVOCI | 1,304 | (7,130) | 3,826 | (6,364) |
| - Derivative financial instruments | 17,546 | 23,881 | 31,611 | 35,400 |
| Net unrealised (loss)/gain on revaluation of: | | | | |
| - Financial assets at FVTPL | (3,377) | (3,343) | (1,041) | (10,085) |
| - Derivative financial instruments | (7,490) | (832) | 215 | 14,023 |
| Dividend income from: | | | | |
| - Financial assets at FVTPL | 3,239 | 2,262 | 12,290 | 8,652 |
| Net unrealised gain/(loss) on fair value changes arising from fair value hedges | 144 | (500) | (74) | (2,166) |
| | <u>11,497</u> | <u>11,080</u> | <u>45,019</u> | <u>34,037</u> |
| (c) Other income | | | | |
| Gain on disposal of property and equipment | - | 35 | 3 | 35 |
| Gain on liquidation of a subsidiary | 195 | - | 232 | - |
| Foreign exchange loss | (8,743) | (13,090) | (19,912) | (14,236) |
| Other non-operating income | 277 | 66 | 421 | 599 |
| | <u>(8,271)</u> | <u>(12,989)</u> | <u>(19,256)</u> | <u>(13,602)</u> |
| Total non-interest income | <u>30,588</u> | <u>33,471</u> | <u>142,904</u> | <u>173,561</u> |
| The Company | | | | |
| (a) Net income from securities: | | | | |
| Net realised gain/(loss) arising from sale of: | | | | |
| - Financial assets at FVTPL | 11 | (405) | (158) | 2,522 |
| Net unrealised loss on revaluation of: | | | | |
| - Financial assets at FVTPL | (2,505) | (4,654) | (554) | (9,440) |
| Dividend income from: | | | | |
| - Financial assets at FVTPL | 3,205 | 2,242 | 10,680 | 7,442 |
| - Subsidiary companies | 7,500 | 19,000 | 46,440 | 175,750 |
| | <u>8,211</u> | <u>16,183</u> | <u>56,408</u> | <u>176,274</u> |
| (b) Other income | | | | |
| Other income | - | (1) | - | 477 |
| Total non-interest income | <u>8,211</u> | <u>16,182</u> | <u>56,408</u> | <u>176,751</u> |

24. Overhead expenses

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|--|--|--|---|--|
| The Group | | | | |
| Personnel costs | | | | |
| - Salaries, bonuses and allowances | 19,880 | 19,165 | 75,256 | 69,264 |
| - Others | 3,795 | 4,092 | 14,883 | 13,838 |
| | 23,675 | 23,257 | 90,139 | 83,102 |
| Establishment costs | | | | |
| - Depreciation of property and equipment | 1,114 | 1,119 | 4,532 | 4,036 |
| - Amortisation of intangible assets | 617 | 522 | 2,311 | 1,884 |
| - Depreciation of ROU assets | 1,003 | 1,020 | 4,001 | 3,982 |
| - Rental of premises | 35 | 23 | 139 | 142 |
| - Information technology expenses | 2,721 | 2,479 | 11,453 | 9,279 |
| - Others | 781 | 579 | 2,378 | 2,998 |
| | 6,271 | 5,742 | 24,814 | 22,321 |
| Marketing expenses | | | | |
| - Advertisement and publicity | 150 | 438 | 803 | 836 |
| - Entertainment and business improvement | 143 | 277 | 1,016 | 1,022 |
| - Others | 84 | 45 | 430 | 110 |
| | 377 | 760 | 2,249 | 1,968 |
| Administration and general expenses | | | | |
| - Management fees | 941 | 954 | 4,309 | 5,100 |
| - Communication expenses | 176 | 278 | 752 | 1,122 |
| - Property and equipment written off | - | 5 | - | 5 |
| - Auditors' remuneration | | | | |
| - Statutory audit | 115 | 38 | 420 | 389 |
| - Regulatory related fee | 189 | 54 | 197 | 62 |
| - Tax compliance fee | 32 | 31 | 32 | 31 |
| - Legal and professional fees | 731 | 656 | 1,555 | 1,485 |
| - Others | 2,602 | 2,556 | 10,630 | 11,256 |
| | 4,786 | 4,572 | 17,895 | 19,450 |
| Total overhead expenses | 35,109 | 34,331 | 135,097 | 126,841 |
| The Company | | | | |
| Personnel costs | | | | |
| - Salaries, bonuses and allowances | - | - | - | - |
| - Others | 82 | 51 | 266 | 201 |
| | 82 | 51 | 266 | 201 |
| Establishment costs | | | | |
| - Information technology expenses | - | - | 1 | 1 |
| - Others | 11 | 14 | 55 | 51 |
| | 11 | 14 | 56 | 52 |

24. Overhead expenses (continued)

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/6/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/6/2022 RM'000 |
|-------------------------------------|--|---|---|---|
| The Company (continued) | | | | |
| Administration and general expenses | | | | |
| - Management fees | 49 | (48) | 420 | 94 |
| - Communication expenses | 2 | 1 | 23 | 25 |
| - Auditors' remuneration | | | | |
| - Statutory audit | 23 | 20 | 82 | 79 |
| - Regulatory related fee | 5 | 3 | 13 | 11 |
| - Legal and professional fees | 148 | 1 | 181 | 22 |
| - Others | 173 | 288 | 733 | 791 |
| | <u>400</u> | <u>265</u> | <u>1,452</u> | <u>1,022</u> |
| Total overhead expenses | <u>493</u> | <u>330</u> | <u>1,774</u> | <u>1,275</u> |

25. (Allowance for)/write-back of impairment losses on loans and advances

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|---|--|--|---|--|
| The Group | | | | |
| Expected credit losses | | | | |
| - Loans and advances | (49) | 26 | 9 | 190 |
| - Loans and advances commitments | - | 1 | - | - |
| Impaired loans and advances written-off | - | - | - | (16) |
| | <u>(49)</u> | <u>27</u> | <u>9</u> | <u>174</u> |

26. Write-back of allowance for impairment losses on financial investments and other financial assets

| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 |
|--|--|--|---|--|
| The Group | | | | |
| (a) Financial investments | | | | |
| (i) Financial investments at FVOCI | (28) | 205 | (9) | 214 |
| (ii) Financial investments at amortised cost | - | - | - | 12 |
| | <u>(28)</u> | <u>205</u> | <u>(9)</u> | <u>226</u> |
| (b) Other financial assets: | | | | |
| (i) Clients' and brokers' balances: | | | | |
| - Expected credit losses | 122 | (39) | 132 | 190 |
| - Impaired clients' and brokers' balances recovered | 1 | - | 33 | 91 |
| (ii) Other assets | 397 | (50) | 34 | (28) |
| | <u>520</u> | <u>(89)</u> | <u>199</u> | <u>253</u> |
| | <u>492</u> | <u>116</u> | <u>190</u> | <u>479</u> |

HLCB Q4 (30.06.2023)**27. Commitments and contingencies**

| | As at 30/06/2023 Principal Amount RM'000 | As at 30/06/2022 Principal Amount RM'000 |
|--|---|---|
| The Group | | |
| Commitments and contingent liabilities | | |
| Direct Credit Substitutes | 1,000 | 1,000 |
| Obligations under underwriting agreement | - | 7,140 |
| Any commitments that are unconditionally cancelled at any time by the bank without prior notice | | |
| - Maturity less than one year | 917,463 | 919,747 |
| | 918,463 | 927,887 |
| Derivative financial instruments | | |
| Interest rate related contracts: | | |
| - One year or less | 768,000 | 1,019,897 |
| - Over one year to five years | 3,502,000 | 2,503,000 |
| Foreign exchange related contracts | | |
| - One year or less | 3,089,969 | 1,516,655 |
| Equity related contracts | | |
| - Over one year to five years | 200 | 200 |
| | 7,360,169 | 5,039,752 |
| | 8,278,632 | 5,967,639 |

The Group does not have commitments and contingent liabilities other than as disclosed above.

28. Fair value of financial instruments

Determination of fair value and fair value hierarchy

The Group and the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active market where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities, unit trust investments and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2.

In cases where quoted prices are generally not available, the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

| The Group | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|----------------|------------------|----------------|------------------|
| 30.06.2023 | RM'000 | RM'000 | RM'000 | RM'000 |
| Financial assets | | | | |
| Financial assets at FVTPL | 364,432 | 268,954 | - | 633,386 |
| - Money market instruments | - | 234,181 | - | 234,181 |
| - Quoted securities | 364,432 | - | - | 364,432 |
| Financial investments at FVOCI | - | 1,838,115 | - | 1,838,115 |
| - Money market instruments | - | 748,816 | - | 748,816 |
| - Unquoted securities | - | 1,089,299 | - | 1,089,299 |
| Derivative financial assets | - | 67,036 | - | 67,036 |
| | 364,432 | 2,174,105 | - | 2,538,537 |

HLCB Q4 (30.06.2023)**28. Fair value of financial instruments (continued)**Determination of fair value and fair value hierarchy (continued)

| The Group 30.06.2023 | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|
| Financial liability | | | | |
| Derivative financial liabilities | - | 54,074 | - | 54,074 |
| 30.06.2022 | | | | |
| Financial assets | | | | |
| Financial assets at FVTPL | 361,380 | 19,743 | - | 381,123 |
| - Quoted securities | 361,380 | - | - | 361,380 |
| - Unquoted securities | - | 19,743 | - | 19,743 |
| Financial investments at FVOCI | - | 1,256,640 | - | 1,256,640 |
| - Money market instruments | - | 433,200 | - | 433,200 |
| - Unquoted securities | - | 823,440 | - | 823,440 |
| Derivative financial assets | - | 38,393 | - | 38,393 |
| | 361,380 | 1,314,776 | - | 1,676,156 |
| Financial liability | | | | |
| Derivative financial liabilities | - | 26,705 | - | 26,705 |
| The Company | | | | |
| 30.06.2023 | | | | |
| Financial asset | | | | |
| Financial assets at FVTPL | | | | |
| - Quoted securities | 358,334 | - | - | 358,334 |
| 30.06.2022 | | | | |
| Financial asset | | | | |
| Financial assets at FVTPL | | | | |
| - Quoted securities | 355,215 | - | - | 355,215 |

There were no transfers between Level 1 and 2 during the financial period.

29. Capital adequacy

- (i) The capital adequacy ratios of the banking subsidiary are as follows:

| | HLIB 30/06/2023 | HLIB 30/06/2022 |
|---|----------------------------------|----------------------------------|
| Before deducting proposed dividends: | | |
| Common equity tier 1 ("CET1") capital ratio | 38.498% | 39.445% |
| Tier 1 capital ratio | 38.498% | 39.445% |
| Total capital ratio | 48.792% | 50.437% |
| After deducting proposed dividends: ⁽¹⁾ | | |
| CET1 capital ratio | 35.719% | 35.367% |
| Tier 1 capital ratio | 35.719% | 35.367% |
| Total capital ratio | 46.013% | 46.359% |

Note:

⁽¹⁾ Proposed dividends of RM28,710,000 (30.06.2022: RM38,940,000).

- (ii) The components of CET1, Tier 1 and total capital of the banking subsidiary are as follows:

| | HLIB 30/06/2023 RM'000 | HLIB 30/06/2022 RM'000 |
|--|---|---|
| CET1 capital | | |
| Paid-up ordinary share capital | 252,950 | 252,950 |
| Retained profits | 280,317 | 287,881 |
| Other reserves | (4,486) | (19,792) |
| Less: goodwill and intangibles | (33,936) | (33,638) |
| Less: deferred tax assets | (96,878) | (110,559) |
| Less: investment in subsidiary companies | (200) | (200) |
| Total CET1 capital | 397,767 | 376,642 |
| Tier 1 capital | | |
| | 397,767 | 376,642 |
| Tier 2 capital | | |
| Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves ⁽²⁾ | 6,356 | 4,952 |
| Subordinated obligations | 100,000 | 100,000 |
| Total Tier 2 capital | 106,356 | 104,952 |
| Total capital | | |
| | 504,123 | 481,594 |

Note:

⁽²⁾ Includes the qualifying regulatory reserve for non-impaired loans and advances.

HLCB Q4 (30.06.2023)

29. Capital adequacy (continued)

(iii) Breakdown of risk-weighted assets of the banking subsidiary in the various risk weights:

| | HLIB | HLIB |
|------------------|-------------------------|-----------------------|
| | 30/06/2023 | 30/06/2022 |
| | RM'000 | RM'000 |
| Credit risk | 508,514 | 396,120 |
| Market risk | 185,018 | 217,123 |
| Operational risk | 339,681 | 341,603 |
| | <u>1,033,213</u> | <u>954,846</u> |

30. Segmental reporting

(a) Segment information by activities for the financial year ended 30 June 2023:

| The Group | Investment banking and stockbroking RM'000 | Fund management and unit trust management RM'000 | Investment holding and others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|------------------------|---|---|---|-------------------------------|--------------------------------|
| 30 June 2023 | | | | | |
| Net income | | | | | |
| Net interest income | 52,028 | 731 | 663 | - | 53,422 |
| Non interest income | 92,043 | 46,306 | 56,478 | (51,923) | 142,904 |
| Total net income | <u>144,071</u> | <u>47,037</u> | <u>57,141</u> | <u>(51,923)</u> | <u>196,326</u> |
| Results | | | | | |
| Profit from operations | 42,508 | 10,188 | 55,321 | (46,589) | 61,428 |
| Taxation | | | | | <u>(11,552)</u> |
| Profit after taxation | | | | | <u>49,876</u> |
| 30 June 2022 | | | | | |
| Net income | | | | | |
| Net interest income | 49,120 | 591 | 88 | - | 49,799 |
| Non interest income | 114,150 | 58,196 | 176,945 | (175,730) | 173,561 |
| Total net income | <u>163,270</u> | <u>58,787</u> | <u>177,033</u> | <u>(175,730)</u> | <u>223,360</u> |
| Results | | | | | |
| Profit from operations | 72,139 | 25,152 | 175,611 | (175,730) | 97,172 |
| Taxation | | | | | <u>(24,709)</u> |
| Profit after taxation | | | | | <u>72,463</u> |

(b) Segmental analysis by geographical location has not been prepared as the Group's operations are predominantly conducted in Malaysia.

31. Property and equipment

The valuations of property and equipment have been brought forward without amendment from the financial statements for the financial year ended 30 June 2022.

32. Changes in composition of the Group

There were no changes in composition of the Group for the current financial period and up to the date of this report, except for the following:

- (i) On 10 November 2022, HLCB announced that the liquidator of HLG Capital Markets Sdn Bhd ("HLGCM"), a wholly-owned subsidiary of HLCB, had convened the final meeting to conclude the member's voluntary winding-up of HLGCM. The Returns by Liquidator Relating to Final Meeting of HLGCM were lodged with the Companies Commission of Malaysia and the Official Receiver on 10 November 2022.

HLGCM was dissolved on 10 February 2023.

- (ii) On 3 May 2023, HLCB announced that the liquidator of SSSB Jaya (1987) Sdn Bhd ("SSSB Jaya"), an indirect wholly-owned subsidiary of HLCB, had convened the final meeting to conclude the creditors' voluntary winding-up of SSSB Jaya. The Returns by Liquidator Relating to Final Meeting of SSSB Jaya were lodged with the Companies Commission of Malaysia and the Official Receiver on 3 May 2023.

SSSB Jaya was dissolved on 3 August 2023.

33. Capital commitments

Capital commitments for the purchase of property and equipment as at 30 June 2023 is RM1.6 million.

34. Related party transactions

All related party transactions had been entered into in the ordinary course of business that had been undertaken at arms' length basis on normal commercial terms. These transactions are within the ambit of the approval granted under the Shareholders' Mandate for recurrent related party transactions obtained at a general meeting.

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Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Performance review

(a) Current financial quarter under review against previous corresponding financial quarter

| | The Group | | Variance | |
|---|--|--|----------|--------|
| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | RM'000 | % |
| Net income | 43,544 | 46,632 | (3,088) | -6.6% |
| Profit before tax | 8,878 | 12,444 | (3,566) | -28.7% |
| Profit after tax | 8,058 | 8,199 | (141) | -1.7% |
| Profit attributable to equity holders of the Company | 8,058 | 8,199 | (141) | -1.7% |

The group recorded a 28.7% lower profit before tax ("PBT") of RM8.9 million for the 4th quarter ended 30 June 2023 as compared to RM12.4 million recorded in the previous year's corresponding quarter.

Lower PBT mainly contributed by lower non-interest income earned (-8.6%).

The performance of the respective operating business segments for the 4th quarter ended 30 June 2023 as compared to the previous year corresponding quarter is analysed as follows:-

| | The Group | | Variance | |
|--|--|--|----------------|---------------|
| | Current quarter ended 30/06/2023 RM'000 | Last year quarter ended 30/06/2022 RM'000 | RM'000 | % |
| Profit before tax by segments: | | | | |
| Investment banking and stockbroking | 6,378 | 12,078 | (5,700) | -47.2% |
| Fund management and unit trust management | 2,101 | 3,399 | (1,298) | -38.2% |
| Investment holding and others | 399 | (3,033) | 3,432 | >100.0% |
| | <u>8,878</u> | <u>12,444</u> | <u>(3,566)</u> | <u>-28.7%</u> |

Investment banking and stockbroking - lower PBT by RM5.7 million (-47.2%) mainly due to lower profit contribution from its investment banking division in current quarter.

Fund management and unit trust management - PBT decreased by RM1.3 million (-38.2%) mainly due to higher overheads incurred.

Investment holding and others - PBT increased by RM3.4 million (>100.0%) mainly due to lower unrealised loss on revaluation of financial assets at FVTPL.

HLCB Q4 (30.06.2023)

1. Performance review (continued)

(b) Current financial period under review against previous corresponding financial period

| | The Group | | Variance | |
|---|---|--|----------|--------|
| | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 | RM'000 | % |
| Net income | 196,326 | 223,360 | (27,034) | -12.1% |
| Profit before tax | 61,428 | 97,172 | (35,744) | -36.8% |
| Profit after tax | 49,876 | 72,463 | (22,587) | -31.2% |
| Profit attributable to equity holders of the Company | 49,876 | 72,463 | (22,587) | -31.2% |

The group recorded a lower PBT of RM61.4 million for the financial year ended 30 June 2023 as compared to RM97.2 million recorded in the previous financial year.

Lower PBT mainly due to lower non-interest income earned (-17.7%).

The performance of the respective operating business segments for the 12 months ended 30 June 2023 as compared to the previous financial period is analysed as follows:-

| | The Group | | Variance | |
|--|---|--|-----------------|---------------|
| | Current year to date 30/06/2023 RM'000 | Last year to date 30/06/2022 RM'000 | RM'000 | % |
| Profit before tax by segments: | | | | |
| Investment banking and stockbroking | 42,508 | 72,139 | (29,631) | -41.1% |
| Fund management and unit trust management | 10,188 | 25,152 | (14,964) | -59.5% |
| Investment holding and others | 8,732 | (119) | 8,851 | >100.0% |
| | <u>61,428</u> | <u>97,172</u> | <u>(35,744)</u> | <u>-36.8%</u> |

Investment banking and stockbroking - Lower PBT by RM29.6 million (-41.1%) mainly attributed to lower profit contribution from both its investment banking division and stockbroking division.

Fund management and unit trust management - PBT decreased by RM15.0 million (-59.5%) mainly due to lower net contribution from management fee income.

Investment holding and others - PBT increased by RM8.9 million (>100.0%) mainly due to lower unrealised loss on revaluation of financial assets at FVTPL.

HLCB Q4 (30.06.2023)

1. Performance review (continued)

(c) Current financial quarter under review against preceding financial quarter

| | The Group | | | |
|--|--|--|----------------------------------|----------|
| | Current | Preceding | | |
| | quarter ended 30/06/2023 RM'000 | quarter ended 31/03/2023 RM'000 | Variance RM'000 | % |
| Net income | 43,544 | 52,251 | (8,707) | -16.7% |
| Profit before tax | 8,878 | 16,438 | (7,560) | -46.0% |
| Profit after tax | 8,058 | 13,176 | (5,118) | -38.8% |
| Profit attributable to equity holders of the Company | 8,058 | 13,176 | (5,118) | -38.8% |

For the financial quarter ended 30 June 2023, the Group reported a lower PBT of RM8.9 million as compared to RM16.4 million in the preceding financial quarter ended 31 March 2023. The lower PBT was mainly due to lower non-interest income earned (-20.8%).

The performance of the respective operating business segments for the 3 months ended 30 June 2023 as compared to the preceding quarter is analysed as follows:-

| | The Group | | | |
|---|--|--|----------------------------------|----------|
| | Current | Preceding | | |
| | quarter ended 30/06/2023 RM'000 | quarter ended 31/03/2023 RM'000 | Variance RM'000 | % |
| Profit before tax by segments: | | | | |
| Investment banking and stockbroking | 6,378 | 11,979 | (5,601) | -46.8% |
| Fund management and unit trust management | 2,101 | 1,622 | 479 | 29.5% |
| Investment holding and others | 399 | 2,837 | (2,438) | -85.9% |
| | 8,878 | 16,438 | (7,560) | -46.0% |

Investment banking and stockbroking - lower PBT by RM5.6 million (-46.8%) mainly due to lower profit contribution from its investment banking division.

Fund management and unit trust management - PBT increased by RM0.5 million (29.5%) mainly due to lower overhead expenses incurred in current quarter.

Investment holding and others - PBT decreased by RM2.4 million (-85.9%) mainly due to higher unrealised loss on revaluation of financial assets at FVTPL.

HLCB Q4 (30.06.2023)

2. Prospects for 2023

Going forward, global growth is expected to expand at a slower pace. While headline inflation has continued to ease amid lower cost factors, it remains elevated. Despite these headwinds, the Malaysian economy is anticipated to remain on a positive trajectory albeit on a weaker growth momentum, supported by domestic demand.

We remain cautious on the business environment that are susceptible to these external headwinds and will remain vigilant by constantly exercising discipline in managing our capital, liquidity and costs efficiency to deliver sustainable outcomes to our stakeholders.

3. Variance in profit forecast and shortfall in profit guarantee

The Group had not entered into any scheme that requires it to present forecast results or guarantee any profits.

4. Taxation

| | Financial quarter ended | | Financial period ended | |
|---------------------------------|-------------------------|--------------|------------------------|---------------|
| | 30/06/2023 | 30/06/2022 | 30/06/2023 | 30/06/2022 |
| The Group | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysian income tax: | | | | |
| - Current | (132) | 208 | 1,929 | 6,286 |
| - Over provision in prior years | (2) | - | (7) | (22) |
| Deferred taxation | 954 | 4,037 | 9,630 | 18,445 |
| | <u>820</u> | <u>4,245</u> | <u>11,552</u> | <u>24,709</u> |

5. Status of corporate proposals

There were no corporate proposals announced but not completed as at the latest practicable date which was not earlier than 7 days from the issue of this report.

6. Off-balance sheet financial instruments

Details of financial instruments with off-balance sheet risk as at 30 June 2023:

| The Group | Principal amount RM'000 | Fair Value | |
|------------------------------------|------------------------------------|--------------------------|-------------------------------|
| | | Assets RM'000 | Liabilities RM'000 |
| Interest rate related contracts | | | |
| (i) Less than 1 year | 768,000 | 1,290 | (1,031) |
| (ii) 1 year to 3 years | 1,901,000 | 11,927 | (4,606) |
| (iii) More than 3 years | 1,601,000 | 10,227 | (8,156) |
| Foreign exchange related contracts | | | |
| (i) Less than 1 year | 3,089,969 | 43,570 | (40,281) |
| Equity related contracts | | | |
| (i) 1 year to 3 years | 200 | 22 | - |
| | 7,360,169 | 67,036 | (54,074) |

The above contracts are subject to credit risk and market risk.

Credit risk

Credit risk arises when counterparties to derivatives contracts are not able to or willing to fulfil their obligation to pay the Bank the positive fair value or receivable resulting from the execution of contract terms. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk.

Related accounting policies

Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the statements of income unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the statements of income. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the statements of income.

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7. Group borrowings and debt securities

| The Group Unsecured | More than 1 year | | Less than 1 year | | Sub-total | | Total RM'000 |
|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------|
| | Foreign currency RM'000 | Local currency RM'000 | Foreign currency RM'000 | Local currency RM'000 | Foreign currency RM'000 | Local currency RM'000 | |
| As at 30 June 2023 | | | | | | | |
| RM100.0 million Tier 2 subordinated notes | - | 99,998 | - | 197 | - | 100,195 | 100,195 |
| As at 30 June 2022 | | | | | | | |
| RM100.0 million Tier 2 subordinated notes | - | 99,996 | - | 197 | - | 100,193 | 100,193 |

On 6 November 2014, Hong Leong Investment Bank Berhad ("HLIB") had completed the first issuance of RM50 million nominal value of Tier 2 Subordinated Notes ("Sub-Notes") out of its RM1.0 billion Multi-Currency Sub-Notes Programme. The RM50 million Sub-Notes will mature in 2024 and is callable on any coupon payment date falling on or after the 5th anniversary of the issue date. The Sub-Notes which bears interest rate of 5.30% per annum is payable semi-annually in arrears. The exercise of the call option on the Sub-Notes shall be subject to the approval of BNM.

The Sub-Notes constitute unsecured liabilities of HLIB, and is subordinated in right of payment to the deposit liabilities and all other liabilities of HLIB in accordance with the terms and conditions of the issue, except to those liabilities, which by their terms, rank equally in right of payment with or are subordinated to the Sub-Notes. The Sub-Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of HLIB.

On 14 June 2019, HLIB issued a second tranche of RM100.0 million nominal value of 10-year non-callable 5 years Sub Notes callable on 14 June 2024 (and thereafter) and due on 14 June 2029 out of its RM1.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this second tranche of the Sub Notes is 4.23% per annum, which is payable semi-annually in arrears from the date of the issue.

On 6 November 2019, HLIB had fully redeemed the first issuance of RM50.0 million nominal value of this Sub Notes.

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8. Material litigation

The Group and the Company do not have any material litigation which would materially and adversely affect the financial position of the Group and the Company.

9. Dividends

A final single-tier dividend of 17.0 sen per share has been declared for the current quarter.

| | |
|---------------------------------|-----------------------|
| Amount per share: | 17.0 sen |
| Previous corresponding quarter: | 19.0 sen |
| Payment date: | To be announced later |
| Entitlement date: | To be announced later |

10. Earnings per share

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period.

| | Financial quarter ended | | Financial period ended | |
|--|-------------------------|------------|------------------------|------------|
| | 30/06/2023 | 30/06/2022 | 30/06/2023 | 30/06/2022 |
| The Group | | | | |
| Net profit attributable to equity holders of the Company (RM'000): | 8,058 | 8,199 | 49,876 | 72,463 |
| Weighted average number of ordinary shares in issue ('000): | 235,785 | 235,785 | 235,785 | 235,785 |
| Basic earnings per share (sen) | 3.4 | 3.5 | 21.2 | 30.7 |
| The Company | | | | |
| Net profit attributable to equity holders of the Company (RM'000): | 7,874 | 15,953 | 55,103 | 174,780 |
| Weighted average number of ordinary shares in issue ('000): | 235,890 | 235,890 | 235,890 | 235,890 |
| Basic earnings/(loss) per share (sen) | 3.3 | 6.8 | 23.4 | 74.1 |

(b) Fully diluted earnings per share

There is no diluted earnings per share as the Group and the Company have no category of dilutive potential ordinary shares outstanding as at 30 June 2023 and 30 June 2022.

Dated this 30 August 2023.