



HONG LEONG FINANCE

HONG LEONG FINANCE LIMITED

Co. Reg. No. 196100003D
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Sixth Annual General Meeting (the "Meeting") of HONG LEONG FINANCE LIMITED (the "Company") will be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908, on Thursday, 21 April 2016 at 3.00 p.m. for the following purposes:

A) Ordinary Business:

- To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December ("FY") 2015 and the Auditors' Report thereon.
- To declare a final one-tier tax exempt dividend of 7 cents per share for FY 2015 ("Final Dividend").
- To approve Directors' Fees of \$769,603 for FY 2015 (FY 2014: \$777,000), Fees to the Audit Committee of \$140,000 for FY 2016 (FY 2015: \$140,000) and Fees to the Risk Management Committee of \$240,000 for FY 2016 (FY 2015: \$240,000).
- To re-elect the following Directors retiring in accordance with the Company's Constitution and who, being eligible, offer themselves for re-election:
 - Mr Kwek Leng Kee
 - Mr Po'ad bin Shaik Abu Bakar Mattar
- To appoint the following Directors who were re-appointed at the Company's Fifty-Fifth Annual General Meeting to hold office until this Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, which provision has since been repealed:
 - Mr Kwek Leng Beng
 - Mr Cheng Shao Shiong @ Bertie Cheng
- To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.

B) Special Business:

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions, of which Resolutions 7 and 8 will be proposed as Ordinary Resolutions and Resolution 9 will be proposed as a Special Resolution:

- That authority be and is hereby given to the Directors to:
 - issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
 - (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force,
- providing that:
 - the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50% of the total number of issued shares of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20% of the total number of issued shares of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares of the Company shall be based on the total number of issued shares of the Company at the time this Ordinary Resolution is passed, after adjusting for:
 - new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Ordinary Resolution is passed; and
 - any subsequent bonus issue, consolidation or subdivision of shares;
 - in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and
 - (unless revoked or varied by the Company in General Meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
- That authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Hong Leong Finance Share Option Scheme 2001 (the "SOS") to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to allot and issue from time to time such number of shares of the Company as may be required to be issued pursuant to the exercise of the options granted under the SOS, provided that:
 - the aggregate number of shares to be issued pursuant to the SOS shall not exceed 15% of the total number of issued shares of the Company from time to time; and
 - the aggregate number of shares to be issued during the entire operation of the SOS (subject to adjustments, if any, made under the SOS) shall not exceed such limits or (as the case may be) sub-limits as may be prescribed in the SOS.
- That the new Constitution of the Company submitted to this Meeting and, for the purpose of identification, subscribed to by the Company Secretary be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

C) To Transact Any Other Ordinary Business

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Company Secretary
Singapore, 29 March 2016

Books Closure Date and Payment Date for Final Dividend

Subject to the approval of the shareholders at the Meeting for the payment of the Final Dividend, the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016. Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited of 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 5 May 2016 will be registered to determine shareholders' entitlement to the Final Dividend.

The Final Dividend, if approved by the shareholders at the Meeting, will be paid on 23 May 2016.

Explanatory Notes:

- With reference to item 3 of the Ordinary Business above, the Directors' Fees of \$769,603 for FY 2015 exclude the fees of \$140,000 and \$240,000 paid to the Audit Committee ("AC") and the Risk Management Committee ("RMC") respectively for FY 2015, which had been approved by shareholders at the 2015 AGM of the Company. The payment of the fees to the AC and RMC for FY 2016 shall be made on a quarterly basis in arrears at the end of each calendar quarter (except for the first quarter of 2016 which shall be made upon the approval by the shareholders at the Meeting). The structure of fees paid or payable to Directors for FY 2015 can be found on page 48 of the Annual Report.
- Key information on Mr Kwek Leng Kee, who is seeking re-election as a Director of the Company under item 4(a) of the Ordinary Business above, is found on page 20 of the Annual Report. Mr Kwek Leng Kee is a non-executive non-independent Director of the Company. He is the cousin of Mr Kwek Leng Beng and Mr Kwek Leng Peck. Details of his share interest in the Company and its related corporations can be found on pages 61 to 64 of the Annual Report. Mr Kwek Leng Kee is also the Assistant Managing Director and a shareholder of Hong Leong Holdings Limited, a director and a shareholder of Hong Realty (Private) Limited ("HR"), Hong Leong Investment Holdings Pte. Ltd. ("HLIH") and Davos Investment Holdings Pte Ltd ("Davos"). Each of HR, HLIH and Davos holds more than 10% direct and/or deemed interest in the Company.
- With reference to item 4(b) of the Ordinary Business above, Mr Po'ad Mattar will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the chairman of the AC, Remuneration Committee ("RC") and the Hong Leong Finance Share Option Scheme 2001 Committee ("SOSC"), and a member of the Nominating Committee ("NC").

Key information on Mr Mattar is found on pages 20 and 21 of the Annual Report. Mr Mattar has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its related corporations, its 10% shareholders or its Directors that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement with a view to the best interests of the Company.
- With reference to item 5(a) of the Ordinary Business above, Mr Kwek Leng Beng will, upon appointment as a Director of the Company, remain as Chairman of the Board, chairman of the Executive Committee ("Exco"), and a member of the NC and the RMC. Mr Kwek Leng Beng is an executive Director of the Company.

Key information on Mr Kwek Leng Beng is found on page 19 of the Annual Report. Mr Kwek Leng Beng is the cousin of Mr Kwek Leng Peck and Mr Kwek Leng Kee. Details of Mr Kwek Leng Beng's share interest in the Company and its related corporations can be found on pages 61 to 64 of the Annual Report. Mr Kwek Leng Beng is also a director and a shareholder of HR, HLIH and Kwek Holdings Pte Ltd, each of which holds more than 10% direct and/or deemed interest in the Company.
- With reference to item 5(b) of the Ordinary Business above, Mr Bertie Cheng will, upon appointment as a Director of the Company, remain as chairman of the NC and RMC and also as a member of the Exco, RC and SOSC. Mr Cheng is considered an independent Director.

Key information on Mr Cheng is found on page 20 of the Annual Report. Mr Cheng has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its related corporations, its 10% shareholders or its Directors that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement with a view to the best interests of the Company.
- The Ordinary Resolution set out in item 7 of the Special Business above, if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM (unless such authority is revoked or varied at a general meeting) to issue shares and/or make or grant Instruments that might require new shares to be issued up to a number not exceeding 50% of the Company's total number of issued shares, of which up to 20% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued shares of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.
- The Ordinary Resolution set out in item 8 of the Special Business above, if passed, will empower the Directors to offer and grant options in accordance with the SOS to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to issue from time to time such number of shares of the Company pursuant to the exercise of such options under the SOS subject to such limits or sub-limits as prescribed in the SOS. *(see note below on voting restrictions)*

Voting restrictions pursuant to Rule 859 of the Listing Manual of SGX-ST:
Please note that if a shareholder is eligible to participate in the SOS (other than as a director and/or employee of HLIH and its subsidiaries (but not including the Company)), he should abstain from voting at the Meeting in respect of the Ordinary Resolution set out in item 8 in relation to the SOS, and should not accept nominations as proxies or otherwise for voting at the Meeting, in respect of the aforesaid ordinary resolution, unless specific instructions have been given in the proxy form on how the vote is to be cast for the aforesaid resolution.
- The Special Resolution set out in item 9 of the Special Business above is to adopt a new Constitution for the Company following the wide-ranging changes to the Companies Act, Chapter 50 of Singapore (the "Companies Act") introduced pursuant to the Companies (Amendment) Act 2014 (the "Amendment Act"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to, *inter alia*, take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Please refer to the Letter to Shareholders for more details on the new Constitution.

Meeting Notes:

- A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
- A proxy need not be a member of the Company.
- The form of proxy must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time appointed for holding the Meeting.
- Completion and return of the form of proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this form of proxy to the Meeting.
- Pursuant to Rule 730(A)(2) of the Listing Manual of SGX-ST, all resolutions at the Meeting shall be voted on by way of a poll.
- Polling will be done by way of an electronic poll voting system and members present in person or represented by proxy at the Meeting will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for the electronic poll voting will be explained at the Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

- consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable legislation, the Listing Manual of SGX-ST and/or other regulatory guidelines (collectively, the "Purposes");
- warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.