



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fourth 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, 24 April 2014 at 3.00 p.m. for the following purposes:

A) Ordinary Business:

- To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December ("FY") 2013 and the Auditors' Report thereon.
- To declare a final one-tier tax exempt dividend of 8 cents per share for FY 2013 ("Final Dividend").
- To approve Directors' Fees of \$511,000 for FY 2013 (FY 2012: \$471,445), Fees to the Audit Committee of \$25,000 per quarter for FY 2014 (FY 2013: \$25,000 per quarter) and Fees to the Risk Management Committee of \$45,000 per quarter for FY 2014 (FY 2013: \$45,000 per quarter).
- To re-elect the following Directors retiring by rotation in accordance with the Articles of Association of the Company and who, being eligible, offer themselves for re-election:
 - Mr Kwek Leng Joo
 - Mr Po'ad bin Shaik Abu Bakar Mattar
 - Mr Ter Kim Cheu
- To re-appoint the following Directors pursuant to Section 153(6) of the Companies Act, Chapter 50 to hold office from the date of the Meeting until the next Annual General Meeting ("AGM"):
 - 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 as Ordinary Resolutions:

- 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,provided that:

- (1) the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50% of the total number of issued shares in the capital 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 in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the 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 total number of issued shares in the capital of the Company shall be based on the total number of issued shares in the capital 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;
- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next 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 approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Hong Leong Finance Share Option Scheme 2001 (the "SOS") to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to allot and issue from time to time such number of shares in the capital 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 in the capital 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.

C) To Transact Any Other Ordinary Business

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Company Secretary
Singapore, 31 March 2014

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 9 May 2014. 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 8 May 2014 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 26 May 2014.

Explanatory Notes:

- With reference to item 3 above (under the heading "Ordinary Business"), the Directors' Fees of \$511,000 for FY 2013 excludes the quarterly fees of \$25,000 and \$45,000 paid to the Audit Committee ("AC") and the Risk Management Committee ("RMC") respectively for FY 2013, which had been approved by shareholders at the 2013 AGM of the Company. The payment of the fees to the AC and RMC for FY 2014 shall be made in arrears at the end of each calendar quarter (except for the first quarter of 2014 which shall be made upon the approval by the shareholders at the Meeting).
- Key information on Mr Kwek Leng Joo, who is seeking re-election as a Director of the Company under item 4(a) above (under the heading "Ordinary Business"), is found on page 17 of the Annual Report. Mr Kwek Leng Joo is the brother of Mr Kwek Leng Beng. Details of Mr Kwek Leng Joo's share interest in the Company and its related corporations can be found on pages 55 to 58 of the Annual Report. Mr Kwek Leng Joo is also a shareholder of Hong Realty (Private) Limited ("HR"), and a director and shareholder of Hong Leong Investment Holdings Pte. Ltd. ("HLIH") and Kwek Holdings Pte. Ltd. ("KH"). Each of HR, HLIH and KH hold more than 10% direct and/or deemed interest in the Company. Mr Kwek Leng Joo is considered a non-executive non-independent Director.
- With reference to item 4(b) above (under the heading "Ordinary Business"), 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 SOS Committee ("SOSC") and a member of the Nominating Committee ("NC"). Mr Mattar is considered an independent Director.

Key information on Mr Mattar is found on page 19 of the Annual Report. Mr Mattar has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its 10% shareholders or its Directors.
- With reference to item 4(c) above (under the heading "Ordinary Business"), Mr Ter Kim Cheu will, upon re-election as a Director of the Company, remain as a member of the Executive Committee ("Exco"), AC, RC and SOSC. Mr Ter is considered an independent Director.

Key information on Mr Ter is found on page 19 of the Annual Report. Mr Ter has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its 10% shareholders or its Directors.
- With reference to item 5(a) above (under the heading "Ordinary Business"), Mr Kwek Leng Beng will, upon re-appointment as a Director of the Company, remain as Chairman of the Board, chairman of the Exco, and a member of the NC and the RMC. Mr Kwek Leng Beng is an executive Director.

Key information on Mr Kwek Leng Beng is found on page 17 of the Annual Report. Mr Kwek Leng Beng is the brother of Mr Kwek Leng Joo. Details of Mr Kwek Leng Beng's share interest in the Company and its related corporations can be found on pages 55 to 58 of the Annual Report. Mr Kwek Leng Beng is also a director and shareholder of HR, HLIH and KH, each of which hold more than 10% direct and/or deemed interest in the Company.
- With reference to item 5(b) above (under the heading "Ordinary Business"), Mr Bertie Cheng will, upon re-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 18 of the Annual Report. Mr Cheng has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its 10% shareholders or its Directors.

- The ordinary resolution set out in item 7 above (under the heading "Special Business"), if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM to issue shares whether by way of rights, bonus or otherwise and/or make or grant Instruments that might require shares to be issued up to and not exceeding 50% of the Company's total number of issued shares, with a limit of 20% of the Company's total number of issued shares for any issue of shares not made on a *pro rata* basis to shareholders. This authority will expire at the next AGM of the Company, unless revoked or varied at a General Meeting.

- The ordinary resolution set out in item 8 above (under the heading "Special Business"), 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 in the capital 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 the SGX-ST:

Please note that if a shareholder is eligible to participate in the SOS (other than as a director and/or employee of Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries (but not including the Company)), 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.

Notes:

- A member of the Company entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote in his stead.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy must be deposited at the Company Secretary's Office at 36 Robinson Road, #03-01 City House, Singapore 068877, not less than 48 hours before the time appointed for holding the Meeting.
- The Chairman of the Meeting will be exercising his rights under article 71 of the Company's articles of association ("Article 71") to call for all resolutions at the Meeting and at any adjournment thereof to be put to the vote by way of poll. Accordingly, each resolution at the Meeting will be voted on by way of a poll.
- Article 71 provides that a poll may be demanded by:
 - the Chairman of the Meeting; or
 - not less than two members present in person or by proxy and entitled to vote at the Meeting; or
 - a member or members present in person or by proxy and representing not less than one-twentieth of the total voting rights of all the members having the right to vote at the Meeting; or
 - a member or members present in person or by proxy and holding not less than five per cent. of the total number of paid-up shares of the Company.
- To allow for a more efficient voting system, polling will be done by way of an electronic poll voting system. With poll voting, shareholders 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.