

This Notice supersedes the Notice in the print copy of the Annual Report 2019

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 Sixtieth Annual General Meeting (the "Meeting") of HONG LEONG FINANCE LIMITED (the "Company") will be convened and held by way of electronic means on Thursday 25 June 2020 at 3.00 p.m. for the following purposes:

A) Ordinary Business:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December ("FY") 2019 and the Auditors' Report thereon.
2. To declare a final one-tier tax exempt dividend of 10 cents per share for FY 2019 ("Final Dividend").
3. To approve Directors' Fees of \$1,516,466 for FY 2019 (FY 2018: \$1,345,464).
4. To elect/re-elect the following Directors retiring in accordance with the Company's Constitution and who, being eligible, offer themselves for election/re-election:
 - (a) Mr Kevin Hangchi
 - (b) Mr Chng Beng Hua
 - (c) Mr Ter Kim Cheu
 - (d) Mr Peter Chay Fook Yuen
 - (e) Mr Tan Tee How
 - (f) Ms Tan Siew San

Detailed information on the Directors who are proposed to be elected/re-elected can be found under the sections on 'Board of Directors' and 'Additional Information on Directors Seeking Election/Re-election at the 60th Annual General Meeting' of the Annual Report 2019.

5. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration.

B) Special Business:

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions which will be proposed as Ordinary Resolutions:

6. That authority be and is hereby given to the Directors to:
 - (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

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 100% of the total number of issued shares of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 10% of the total number of issued shares of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares of the Company shall be based on the total number of issued shares of the Company at the time this Ordinary Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Ordinary Resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
7. That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Hong Leong Finance Share Option Scheme 2001 (the “SOS”) to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to allot and issue from time to time such number of shares 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.

8. That approval be and is hereby given, pursuant to Rule 16.1 of the rules of the SOS, for the extension of the duration of the SOS for a further period of 10 years from 31 January 2021 to 30 January 2031.

C) To Transact Any Other Ordinary Business

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Company Secretary
Singapore, 3 June 2020

Explanatory Notes:

1. With reference to item 2 of the Ordinary Business above, the Share Transfer Books and Register of Members will be closed from 5.00 p.m. on 2 July 2020 up to (and including) 3 July 2020. Registrable transfers received up to 5.00 p.m. on 2 July 2020 will be registered to determine shareholders' entitlement to the Final Dividend. If approved at the Meeting, it will be paid on 16 July 2020.
2. With reference to item 3 of the Ordinary Business above, the Directors' Fees of \$1,516,466 for FY 2019 will be payable upon approval of the shareholders at the Meeting. The structure of fees payable to Directors for FY 2019 can be found on page 40 of the Annual Report 2019.
3. With reference to item 4(a) above (under the heading "Ordinary Business"), Mr Kevin Hangchi will, upon re-election as a Director of the Company, remain as a member of the Board Risk Committee ("BRC") and the Board Sustainability Committee ("BSC"). Detailed information on Mr Hangchi is found on pages 19 and 162 to 169 of the Annual Report 2019.
4. Detailed information on Mr Chng Beng Hua, who is seeking re-election as a Director of the Company under item 4(b) of the Ordinary Business above, is found on pages 20 and 162 to 169 of the Annual Report 2019. Mr Chng is considered independent by the Board.
5. 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 chairman of the BSC, and also as a member of the Executive Committee, Audit Committee ("AC"), Remuneration Committee ("RC") and the SOS Committee ("SOSC"). Mr Ter is considered independent by the Board. Detailed information on Mr Ter is found on pages 21 and 162 to 169 of the Annual Report 2019.
6. With reference to item 4(d) above (under the heading "Ordinary Business"), Mr Peter Chay will, upon election as a Director of the Company, remain as the chairman of the RC and the SOSC, and a member of the BRC. Mr Chay is considered independent by the Board. Detailed information on Mr Chay is found on pages 22 and 162 to 169 of the Annual Report 2019.

7. With reference to item 4(e) above (under the heading “Ordinary Business”), Mr Tan Tee How will, upon election as a Director of the Company, remain as a member of the AC and the BRC. Mr Tan is considered independent by the Board. Detailed information on Mr Tan is found on pages 23 and 162 to 169 of the Annual Report 2019.
8. With reference to item 4(f) above (under the heading “Ordinary Business”), Ms Tan Siew San will, upon election as a Director of the Company, remain as a member of the BSC. Ms Tan is considered independent by the Board. Detailed information on Ms Tan is found on pages 23 and 162 to 169 of the Annual Report 2019.
9. The Ordinary Resolution set out in item 6 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 100% of the Company’s total number of issued shares, of which up to 10% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued shares of the Company at the time 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.

On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to seek a general mandate for an issue of shares and convertible securities of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus up to 50% previously (the “Enhanced Share Issue Limit”), of which the aggregate number of shares and convertible securities issued other than on a *pro rata* basis remains at not more than 20% to shareholders. The Enhanced Share Issue Limit may be renewed at the 2021 AGM and is only valid until 31 December 2021, by which date any shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares may be issued under this limit.

The Company is proposing to avail itself to the Enhanced Share Issue Limit and accordingly is seeking shareholders’ approval for the same at the Meeting. The Board of Directors is of the view that it would be in the interests of the Company and its shareholders to do so in the event that circumstances evolve before the 2021 AGM amid the COVID-19 situation to such an extent that a 50% limit for *pro rata* issue of shares is not sufficient to meet the Company’s needs. Under such circumstances, fund raising efforts would be unnecessarily hampered and compromised in view of the time needed to obtain shareholders’ approval for the issue of shares above the 50% threshold. The limit for the aggregate of shares and convertible securities issued other than on a *pro-rata* basis shall remain at not more than 10% to shareholders.

10. The Ordinary Resolution set out in item 7 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 limit as prescribed in the SOS. (see *note below on voting restrictions*)

11. The Ordinary Resolution set out in item 8 of the Special Business above, if passed, will extend the duration of the SOS for a further period of 10 years from 31 January 2021 to 30 January 2031. Please refer to the Letter to Shareholders dated 3 June 2020. (see note below on voting restrictions)

Voting restrictions pursuant to Rule 859 of the Listing Manual of SGX-ST:

Please note that the following persons should abstain from voting at the Meeting in respect of the Ordinary Resolution set out in item 7 or, as the case may be, item 8 in relation to the SOS, and accordingly should not appoint the Chairman of the Meeting to vote on their behalf :

- (a) in the case of the Ordinary Resolution set out in item 7: a shareholder who is eligible to participate in the SOS (other than as a director and/or employee of Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries (but not including the Company)); and
- (b) in the case of the Ordinary Resolution set out in item 8: a shareholder who is eligible to participate in the SOS.

Meeting Notes:

1. The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members, instead, this Notice will be made available to members by electronic means via publication on the Company's website at URL <https://www.hlf.com.sg/investor-relations/agm.php>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company> announcements.
2. Alternative arrangements relating to the attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via 'live' audio-visual webcast or 'live' audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying Company's announcement dated 3 June 2020. The announcement may be accessed at the Company's website at the URL <https://www.hlf.com.sg/investor-relations/agm.php> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. The accompanying Proxy Form for the Meeting may be accessed at the Company's website at the URL <https://www.hlf.com.sg/investor-relations/agm.php>, and also be made available at the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 June 2020.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The form appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (i) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or
 - (ii) if submitted electronically, via email to the Company's Share Registrar at gpe@mncsingapore.com,

in either case, at least 72 hours before the time for holding the Meeting.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Annual Report 2019 and the Letter to Shareholders dated 3 June 2020 in relation to the proposed second extension of the Hong Leong Finance Share Option Scheme 2001 ("**Letter to Shareholders**") are available on the Company's website as follows:
 - (a) the Annual Report 2019 (and updated Analysis of Shareholdings as at 11 May 2020) may be accessed at the URL <https://www.hlf.com.sg/ar.html> by clicking on the links for 'Annual Report 2019' and 'Analysis of Shareholdings as at 11 May 2020' (updates to pages 154 and 155 of the Annual Report 2019), respectively; and
 - (b) the Letter to Shareholders may be accessed at the URL <https://www.hlf.com.sg/ar.html>.

Personal data privacy:

By (a) submitting a form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the Meeting via a 'live' audio-visual webcast or a 'live' audio-only stream (via telephone) or (c) submitting any question prior to the Meeting in accordance with this Notice, 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 following purposes:

- (a) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);
- (b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (c) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions; and
- (d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.