

HONG LEONG FINANCE LIMITED

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

Minutes of the 62nd Annual General Meeting (“**AGM**” or the “**Meeting**”) of HONG LEONG FINANCE LIMITED (“**HLF**” or the “**Company**”) held on Friday, 29 April 2022 at 11.00 a.m. by way of electronic means via ‘live’ audio-visual webcast and ‘live’ audio-only stream.

Present:

- Board of Directors**
- : On-site
Mr Kwek Leng Beng
(Chairman and Managing Director)

 - : Off-site via video link
Mr Peter Chay Fook Yuen
(Lead Independent Director
Chairman of the Audit Committee
Chairman of the Remuneration Committee,
Chairman of the Hong Leong Finance Share
Option Scheme 2001 Committee)

 - Mr Tan Tee How
(Independent Director,
Chairman of the Board Risk Committee)

 - Ms Tan Siew San
(Independent Director,
Chairman of the Nominating Committee)

 - Mr Kevin Hangchi
(Non-executive Non-independent Director,
Chairman of the Board Sustainability Committee)

 - Mr Christian de Charnace
(Independent Director)

 - Mr Clarence Yeo
(Independent Director)

 - Mr Kwek Leng Peck
(Non-executive Non-independent Director)

 - Mr Kwek Leng Kee
(Non-executive Non-independent Director)
- Senior Management**
- : On-site
Mr Ang Tang Chor (President)

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via 'live' audio-visual webcast

In Attendance: : Company Secretaries
Ms Joanne Yeo Swee Gim
Ms Jaslin Ng Siew Ping

By Invitation : Auditors – KPMG LLP
Mr Ian Hong
Ms Amelia Cheah

Legal Advisors to Proposed Adoption of
New Constitution – WongPartnership LLP
Mr Kevin Ho
Mr Sean Rafferty Thenadi

The full attendance list of shareholders and observers who attended the AGM via 'live' audio-visual webcast and audio conference is separately maintained by the Company Secretaries.

CHAIRMAN'S WELCOME

Mr Kwek Leng Beng, the Executive Chairman of the Board of Directors ("**Board**") of the Company, welcomed the shareholders to the AGM of the Company. He informed shareholders that the AGM had been convened and was being held by electronic means via 'live' audio-visual webcast and 'live' audio-only stream in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

There being a requisite quorum, he called the Meeting to order and introduced Mr Ang Tang Chor, President of the Company, who was present in person with him at the site of the webcast. He also introduced the other members of the Board who were participating in the Meeting remotely via video-link-ups.

The Chairman informed the Meeting that the Company Secretaries, together with the representatives of the Company's auditors, KPMG LLP ("**KPMG**"), and Legal Advisors, WongPartnership LLP in relation to the proposed adoption of the new Constitution for the Company, were also in attendance online at the Meeting.

Shareholders accessing the Meeting via electronic means would be recorded in the minutes of the Meeting as having attended the Meeting.

NOTICE

The Notice convening the Meeting ("**AGM Notice**"), which had been made available to all shareholders by electronic means via publication on the Company's website and on the website of Singapore Exchange Securities Trading Limited ("**SGXNET**"), was taken as read.

QUESTIONS AND ANSWERS

The Chairman further informed the Meeting that the Company had not received any questions from shareholders as at 12 April 2022, being the cut-off date for shareholders to submit

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questions. However, the Company had received questions from the Securities Investors Association (Singapore) and had published its responses on its corporate website and on SGXNET on 22 April 2022.

PRESENTATION BY THE PRESIDENT

The Chairman called upon the President to brief the shareholders on the Group's financial performance for the financial year ended 31 December ("FY") 2021. The President provided the update by way of a slides presentation, a copy of which annexed to these minutes as [Annexure A](#) was released via SGXNET after the Meeting on 29 April 2022, and has also been uploaded onto the Company's corporate website.

VOTING

The Chairman thanked shareholders who had taken the effort to submit their proxy forms to cast their votes for the resolutions as contained in the Notice of the Meeting and informed that each of the resolutions would be taken as duly tabled, proposed and seconded for voting. As the Chairman had been appointed as proxy for these shareholders, he had voted on all the resolutions in accordance with their specific instructions.

The Company had appointed Trusted Services Pte Ltd as the polling agent and TS Tay Public Accounting Corporation as the independent scrutineers. All proxy votes cast had been reviewed by the polling agent and verified by the scrutineers.

The Chairman proceeded to announce the results of the votes cast for each of the resolutions contained in the Notice of the Meeting.

ORDINARY BUSINESS:

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2021 AND THE AUDITOR'S REPORT THEREON

1.1 The Annual Report 2021 of the Company ("AR") had been published on the Company's website and on SGXNET.

1.2 IT WAS RESOLVED:

That the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2021 together with the Auditor's Report thereon be and are hereby received.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	235,206,970	99.99	18,500	0.01

The Chairman declared the resolution carried.

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2. FINAL DIVIDEND

IT WAS RESOLVED:

That a final one-tier tax exempt dividend of 8.25 cents per share in respect of the year ended 31 December 2021 as recommended by the Directors be and is hereby declared for payment on 27 May 2022 to the shareholders registered on 11 May 2022.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	235,206,970	99.99	18,500	0.01

The Chairman declared the resolution carried.

3. DIRECTORS' FEES

IT WAS RESOLVED:

That the Directors' Fees of \$1,463,808 for FY 2021 be and are hereby approved.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	235,206,970	99.99	18,500	0.01

The Chairman declared the resolution carried.

4. RE-ELECTION/ELECTION OF DIRECTORS

4.1 The Chairman informed the Meeting that in accordance with the Company's Constitution, Mr Kevin Hangchi, Mr Peter Chay Fook Yuen and Mr Tan Tee How were due to retire by rotation at the AGM and they had offered themselves for re-election.

Mr Clarence Yeo Gek Leong, who was appointed in January 2022, would also retire at the AGM in accordance with the Company's Constitution and being eligible, had offered himself for election.

Information on the Directors seeking election/re-election could be found in the AR and the AGM Notice. The Nominating Committee had recommended their election/re-election as Directors.

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4.2 IT WAS RESOLVED:

That Mr Kevin Hangchi who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
234,577,454	233,228,677	99.43	1,348,777	0.57

The Chairman declared the resolution carried.

4.3 IT WAS RESOLVED:

That Mr Peter Chay Fook Yuen who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	233,789,918	99.39	1,435,552	0.61

The Chairman declared the resolution carried.

4.4 IT WAS RESOLVED:

That Mr Tan Tee How who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	235,175,493	99.98	49,977	0.02

The Chairman declared the resolution carried.

4.5 IT WAS RESOLVED:

That Mr Clarence Yeo Gek Leong who is due to retire at this Meeting, be and is hereby elected as a Director of the Company.

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The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	235,175,493	99.98	49,977	0.02

The Chairman declared the resolution carried.

5. **RE-APPOINTMENT OF AUDITORS**

The Meeting noted that the Audit Committee had recommended the re-appointment of KPMG as Auditors of the Company and KPMG had expressed their willingness to accept re-appointment. The Company had also obtained the approval of the Monetary Authority of Singapore for the re-appointment of KPMG.

IT WAS RESOLVED:

That KPMG LLP, Public Accountants and Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next AGM and that the Directors be authorised to fix their remuneration.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	233,891,152	99.43	1,334,318	0.57

The Chairman declared the resolution carried.

SPECIAL BUSINESS:

ORDINARY RESOLUTIONS

6. AUTHORITY FOR DIRECTORS TO ISSUE SHARES AND/OR MAKE OR GRANT OFFERS, AGREEMENTS OR OPTIONS PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 AND THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

- 6.1 The Chairman informed the shareholders that the resolution under item 6 of the AGM Notice related, *inter alia*, to the grant of authority for Directors to issue shares and/or make or grant Instruments that might require shares to be issued up to a number not exceeding 50% of the Company's total number of issued shares, with a limit of 10% for any issue of shares not made on a *pro rata* basis to shareholders. This authority would expire at the next AGM of the Company, unless revoked or varied at a general meeting.

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6.2 IT WAS RESOLVED:

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 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 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

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- (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.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	235,206,970	99.99	18,500	0.01

The Chairman declared the resolution carried.

7. AUTHORITY FOR DIRECTORS TO OFFER AND GRANT OPTIONS TO ELIGIBLE PARTICIPANTS UNDER THE HONG LEONG FINANCE SHARE OPTION SCHEME 2001 (THE “SOS”) OTHER THAN PARENT GROUP EMPLOYEES AND PARENT GROUP NON-EXECUTIVE DIRECTORS AND TO ISSUE SHARES IN ACCORDANCE WITH THE PROVISIONS OF THE SOS

- 7.1 The Chairman informed the Meeting that the resolution under item 7 related to the grant of authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors.
- 7.2 Shareholders who were eligible to participate in the SOS and were not Parent Group Employees and Parent Group Non-Executive Directors had abstained from voting on this resolution.
- 7.3 IT WAS RESOLVED:

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.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
225,797,449	222,106,472	98.37	3,690,977	1.63

The Chairman declared the resolution carried.

SPECIAL RESOLUTION

8. ADOPTION OF THE NEW CONSTITUTION

8.1 The Chairman informed that the resolution set out in this item was to adopt a new Constitution ("**New Constitution**"), which takes into account, *inter alia*, relevant legislative amendments and updates to the Listing Rules which were introduced following the last amendment to the existing Constitution. The various amendments were detailed in the Letter to Shareholders dated 30 March 2022 which had been published on the Company's corporate website and on SGXNET.

8.2 IT WAS RESOLVED:

That the new Constitution of the Company submitted to this Meeting and, for the purpose of identification, subscribed to by the Company Secretary, be and is hereby approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution of the Company.

The detailed voting results for the above resolution were as follows:

Total Number of Shares represented by Votes Cast	No. of Shares FOR	% FOR	No. of Shares AGAINST	% AGAINST
235,225,470	233,885,970	99.43	1,339,500	0.57

The Chairman declared the resolution carried.

As there was no other business, the Meeting was declared closed at 11.20 a.m.

Read and signed as correct

(Signed by Mr Kwek Leng Beng)

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Chairman



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Annexure A

62nd Annual General Meeting Performance Highlights 2021 29 April 2022

SME Specialist since 1961



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- I. Financial Performance 2021
- II. Balance Sheet Position
- III. Customer Loans and Deposits
- IV. Composition of Loans
- V. Sources of Fund
- VI. Distribution of Dividends



Financial Performance 2021

	2021	2020	Y-o-Y
	(\$m)	(\$m)	(%)
Net interest income	178.0	146.8	21.2
Non interest income	11.4	11.9	(4.1)
Operating income	189.4	158.7	19.3
Operating expenses	(87.4)	(76.3)	14.5
Operating profit before allowances	102.0	82.4	23.7
Allowances	(0.1)	(7.7)	(99.2)
Income tax expense	(17.1)	(10.8)	58.4
Net attributable profit	84.8	63.9	32.7

EPS: 18.95 cents (2020: 14.28 cents)



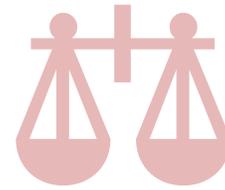
Net attributable profit at \$84.8m, grew 32.7% y-o-y, on the back of improved net interest margin driven by stepped-up effort in managing the cost of fund and lower loan loss allowances.



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Balance Sheet Position

	Dec 2021 (\$b)	Dec 2020 (\$b)	Y-o-Y (%)
Total Assets	13.0	13.4	(3.1)
Total Liabilities	11.0	11.5	(4.0)
Net Assets	2.0	1.9	2.3
Total Equity	2.0	1.9	2.3

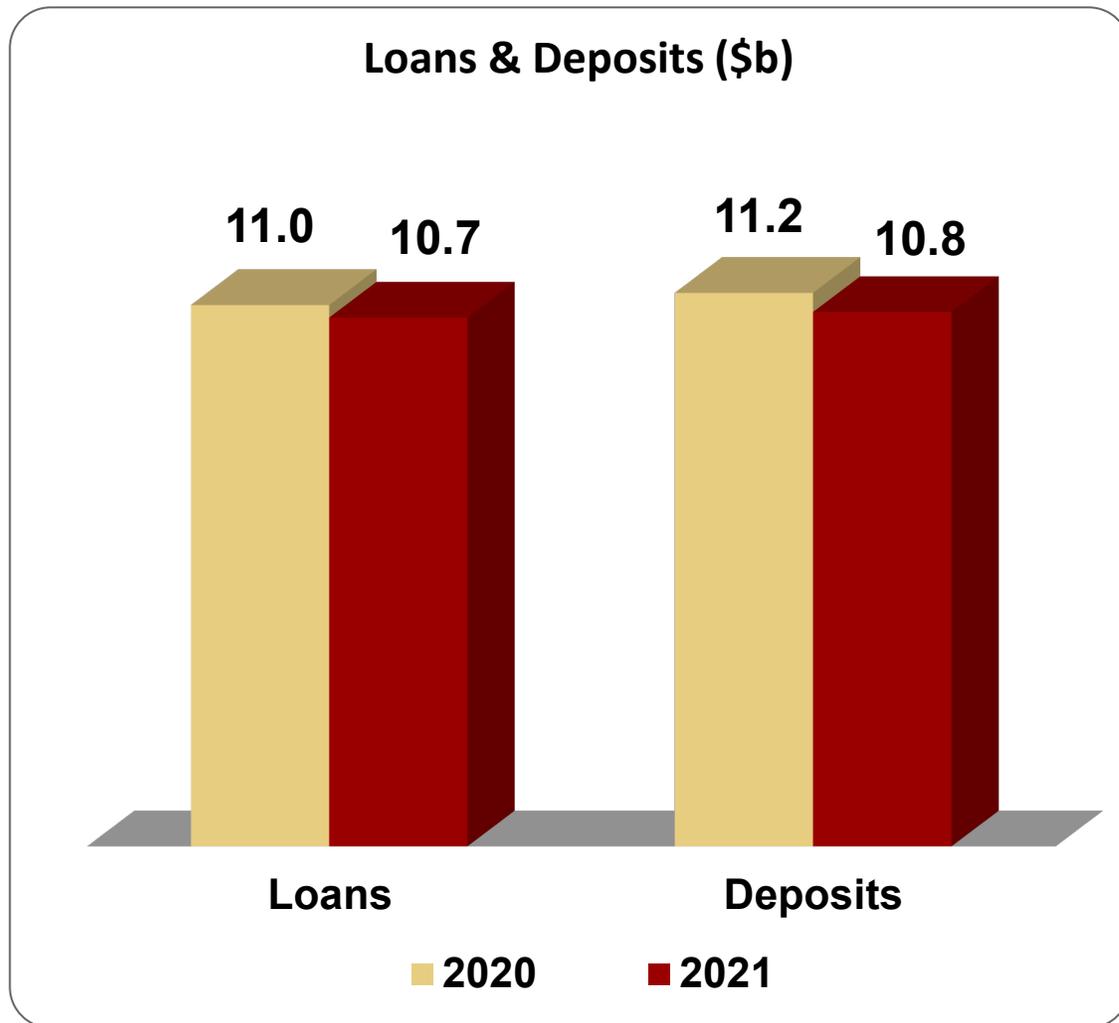


Balance Sheet remain resilient supported by strong capital and liquidity buffers; Capital Adequacy Ratio and Minimum Liquid Asset Ratio well above regulatory requirements;

Net assets value per share at \$4.38 (Dec 2020: \$4.29);



Customer Loans and Deposits



Total loans declined by 2.3% on lower net loan



Total deposits base managed down by 3.5% to optimize loan funding



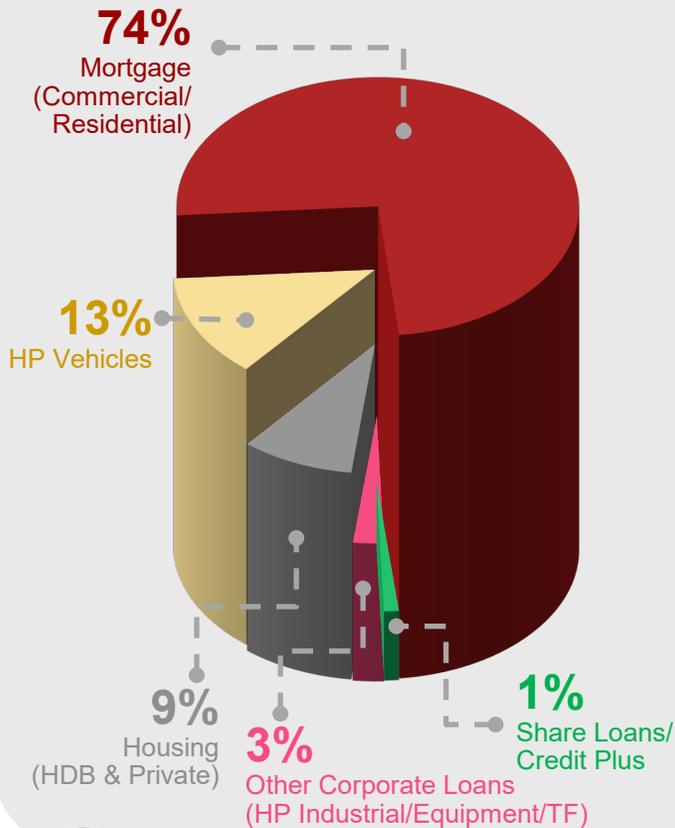
HONG LEONG FINANCE

Composition of Loans

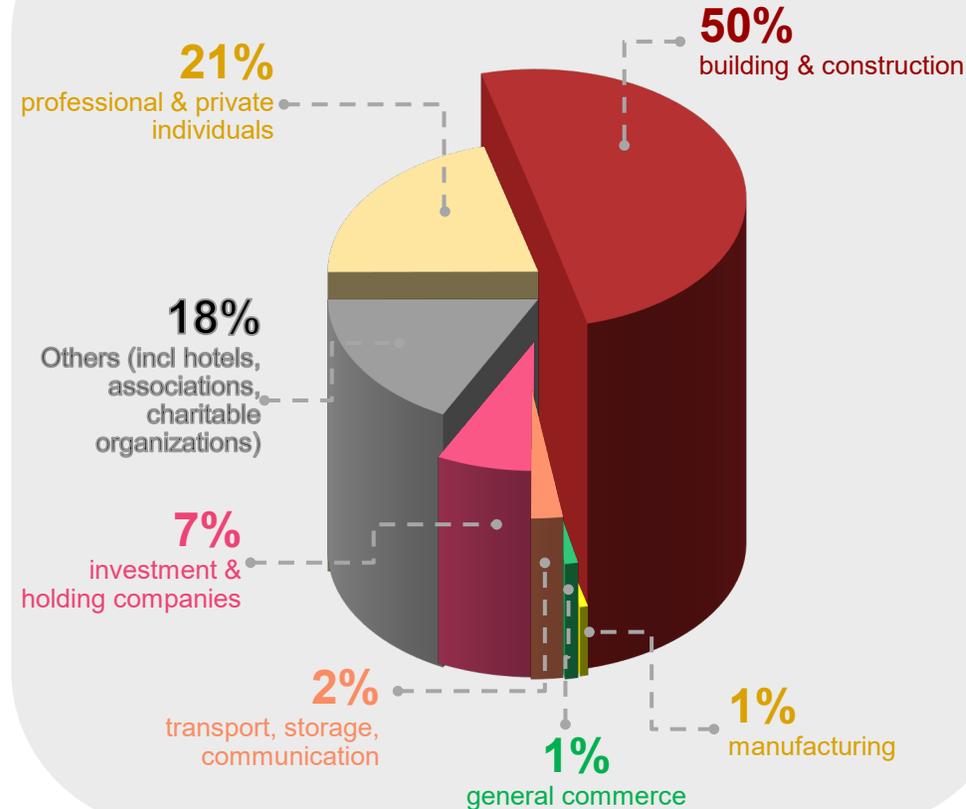
Key pillars of business remain strong with limited exposures to sectors significantly impacted by pandemic; Loan portfolios largely collateralized.

NPL ratio at 1.6%, of which secured NPL at 95.1%.

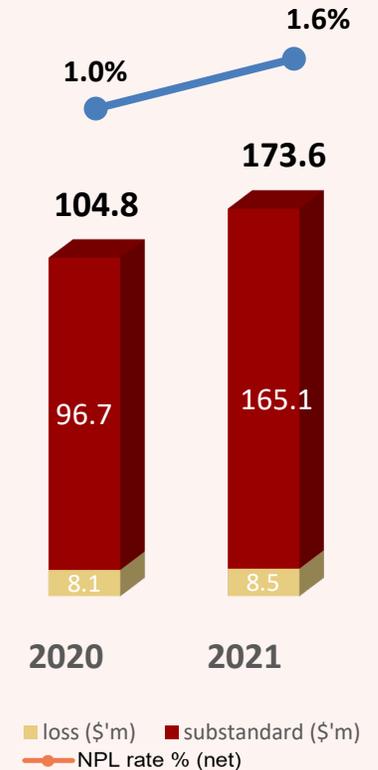
By Product



By Sector



NPL

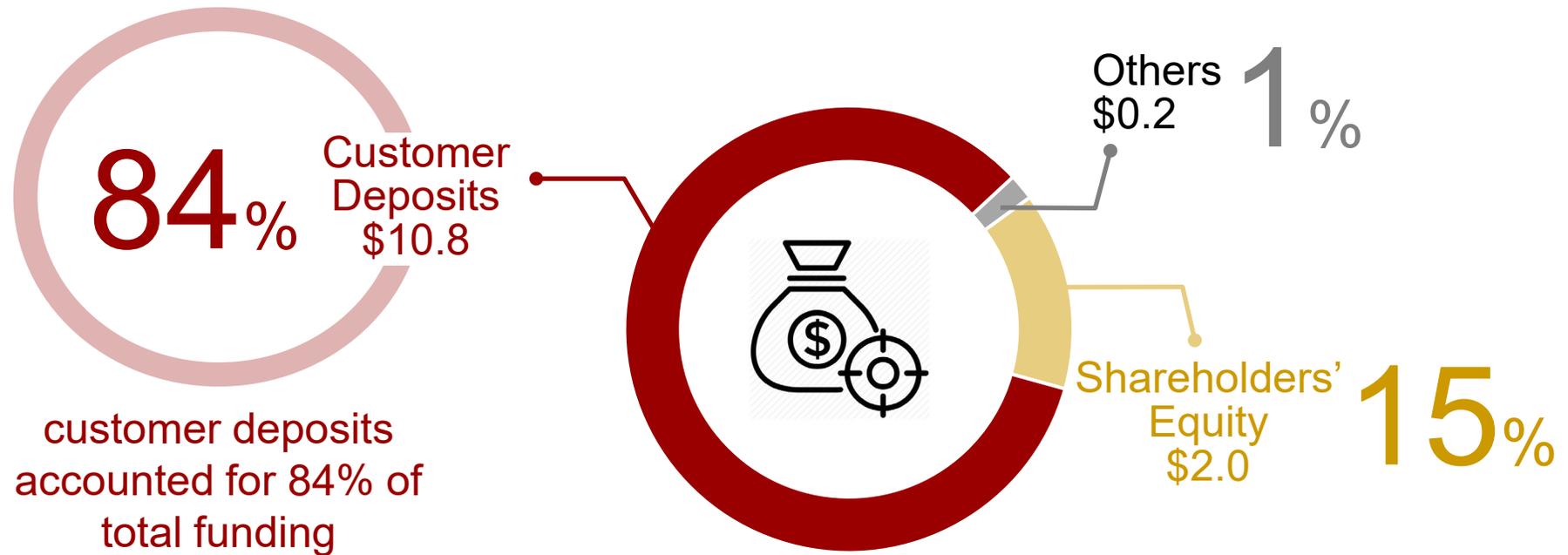


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Sources of Fund

Stable and well-diversified customer deposit base and enhanced shareholders' equity

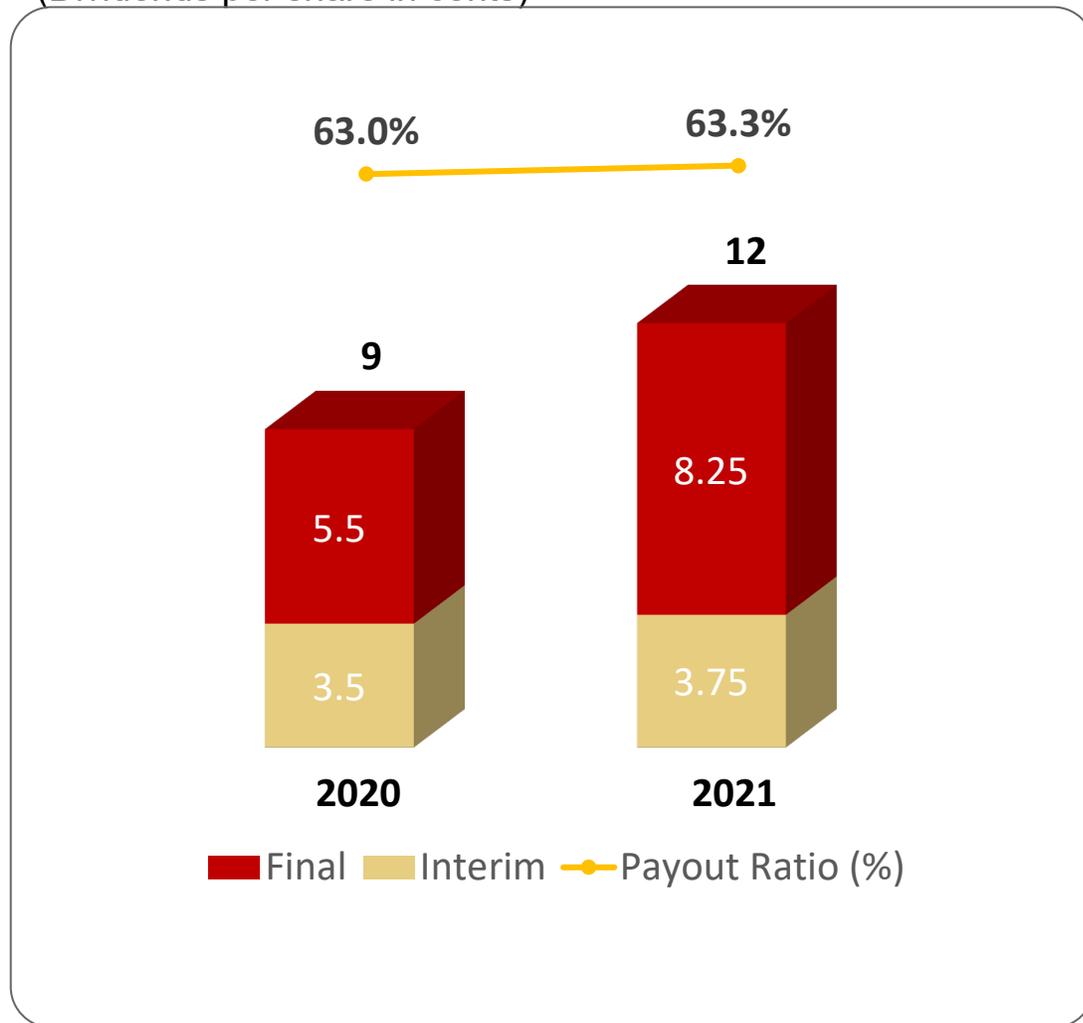
(\$b)



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Distribution of Dividends

(Dividends per share in cents)



9 Sep 2020
Interim dividend of 3.5 cents per share of \$15.7m

25 May 2021
Final dividend of 5.5 cents per share of \$24.6m

8 Sep 2021
Interim dividend of 3.75 cents per share of \$16.8m

27 May 2022
Proposed final dividend of 8.25 cents per share approximately \$36.9m



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AWARDS AND ACCOLADES



ASEAN FINANCE COMPANY OF THE YEAR

HLF was crowned ASEAN Finance Company of the Year for the eighth consecutive year. This good track record is a testament to HLF's success in introducing outstanding products and services that met customer's needs and adapting with the evolving technology and financial landscape.

BEST-PERFORMING BANK IN SINGAPORE

HLF took the top spot for 'Best-Performing Banks in Singapore 2021' by The Banker for its top scores in Asset Quality, Soundness and Leverage. The Company was also ranked among The Banker's Top 1000 World Banks and Top 100 ASEAN Banks for the fourth year running.

TOP 100 SINGAPOREAN BRANDS

HLF was once again listed among the Top 100 Singaporean Brands for the third year running, with its brand value quadrupling from US\$14 million to US\$64 million.

2021 AWARDS

Top 1000 World Banks 2021
The Banker

Top 100 ASEAN Banks 2021
The Banker

Best-Performing Banks in Singapore 2021
The Banker

ASEAN Finance Company 2021
Asian Banking & Finance Retail Banking Awards

Top 100 Singaporean Brands 2021
Brand Finance

Excellence in Search Marketing (Finalist) 2021
Marketing Excellence Awards

2020 AWARDS

Top 1000 World Banks 2020
The Banker

Top 100 ASEAN Banks 2020
The Banker

ASEAN Finance Company 2020
Asian Banking & Finance Retail Banking Awards

Top 100 Singaporean Brands 2020
Brand Finance

Excellence in Programmatic Marketing – Silver 2020
Marketing Excellence Awards



Thank you!



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