

FIT AND PROPER ASSESSMENT OF MR KEVIN HANGCHI (“MR HANGCHI”)

The Board of Directors (“**Board**”) of Hong Leong Finance Limited (“**HLF**” or the “**Company**”) wishes to make an announcement confirming the fitness and propriety of Mr Hangchi as a Non-Executive Non-Independent Director of the Company, in view of the matters described below.

1. Background Information

Mr Hangchi is a Non-Executive Non-Independent Director of HLF, a member of HLF’s Board Risk Committee and Chairman of HLF’s Board Sustainability Committee. Separately, Mr Hangchi is also a non-executive director of Millennium & Copthorne Hotels New Zealand Limited (“**MCK**”). The information has also been disclosed in HLF’s latest annual report 2022.

MCK is a New Zealand incorporated company, with ordinary shares quoted on the Main Board of NZX Limited (“**NZX**”). MCK engages in the ownership, operation, management, leasing and franchising of hotels in New Zealand.

HLF has been informed by Mr Hangchi that the NZ Markets Disciplinary Tribunal (the “**Tribunal**”) has found that MCK breached certain NZX listing rules (the “**Rules**”), as broadly described below:

- (1) The MCK audit committee not having the requisite number of members in its Audit Committee (being at least three) from February 2018 to 27 July 2020, which was self-remedied on the later date.
- (2) MCK failing to adhere to certain disclosure requirements under the “comply or explain” regime under the Rules in relation to MCK’s annual reports for the 2017 to 2022 financial years.

Pursuant to a determination made by the Tribunal dated 3 November 2023 (the “**Determination**”), MCK was ordered to pay a financial penalty of NZ\$50,000, pay the costs of NZX and the Tribunal, and be publicly censured in the form of a public announcement. The Tribunal also noted that MCK admitted the breaches at the earliest opportunity and co-operated fully with NZX Regulation Limited’s investigation.

2. Fit and Proper Assessment

The Nominating Committee (the “**NC**”) and the Board have assessed the suitability of the continued appointment of Mr Hangchi and note, in particular, the following:

- (a) There is no evidence that any of the breaches were directly attributable to Mr Hangchi.
- (b) Mr Hangchi, as a Non-Executive Director of MCK, was not involved in the day-to-day management of MCK. In particular, Mr Hangchi did not participate in any decisions relating to the composition of MCK’s Audit Committee. Mr Hangchi was also not personally involved in the preparation of MCK’s annual reports.

- (c) The above breaches, as well as the findings in the Determination, do not affect HLF's assessment of Mr Hangchi's honesty, integrity, or reputation.
- (d) Mr Hangchi has been a capable and competent member of the Board since first being appointed in October 2016. The Directors of the Board are assessed on their performance on an annual basis, and the Board is satisfied with the performance of Mr Hangchi and his contributions to the Board, based on his attendance and participation at meetings of the Board and Board Committees (of which he is a member), and his role in Board Committees.
- (e) In its decision the Tribunal noted that NZX Regulation Limited had not presented any evidence that MCK's breaches caused any actual loss.

In view of the above, the NC and the Board are of the view that Mr Hangchi continues to remain fit and proper to be a Director of HLF.

3. No Impact on HLF

For the avoidance of doubt, the breaches by MCK are not related to HLF and there is no impact on HLF's business and operations.

By Order of the Board

Yeo Swee Gim, Joanne
Ng Siew Ping, Jaslin
Company Secretaries

Date: 16 November 2023