



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-third Annual General Meeting of Hong Leong Financial Group Berhad ("Company") will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 30 October 2012 at 11.30 a.m. in order:

- 1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2012.
2. To approve the payment of Directors' fees of RM445,410 for the financial year ended 30 June 2012 (2011: RM382,795), to be divided amongst the Directors in such manner as the Directors may determine. (Resolution 1)
3. To re-elect the following retiring Directors:- (Resolution 2)
(a) YBhg Datuk Yvonne Chia (Resolution 3)
(b) Ms Lim Tau Kien
4. To pass the following motion as an Ordinary Resolution:-
"THAT YBhg Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman, a Director who retires in compliance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." (Resolution 4)
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and authorise the Directors to fix their remuneration. (Resolution 5)

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions as Ordinary Resolutions:-

6. Authority To Directors To Issue Shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 6)

7. Proposed Renewal of Shareholders' Mandate on Recurrent Related Party Transactions of a Revenue or Trading Nature with Hong Leong Company (Malaysia) Berhad ("HLCM") and Persons Connected with HLCM

"THAT approval be and is hereby given for the Company and/or its subsidiaries (excluding Hong Leong Bank Berhad and Hong Leong Capital Berhad and their respective subsidiaries) to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as disclosed in Section 2.3(A) and (C), Part A of the Company's Circular to Shareholders dated 8 October 2012 ("the Circular") with HLCM and persons connected with HLCM, as set out in Appendix II of the Circular provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on commercial terms which are not more favourable to the related party than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders; AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution.

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier." (Resolution 7)

8. Proposed Renewal of Shareholders' Mandate on Recurrent Related Party Transactions of a Revenue or Trading Nature with Tower Real Estate Investment Trust ("Tower REIT")

"THAT approval be and is hereby given for the Company and/or its subsidiaries (excluding Hong Leong Bank Berhad and Hong Leong Capital Berhad and their respective subsidiaries) to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as disclosed in Section 2.3(B), Part A of the Company's Circular to Shareholders dated 8 October 2012 with Tower REIT provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on commercial terms which are not more favourable to the related party than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders; AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution.

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier." (Resolution 8)

9. Proposed Establishment of a New Executive Share Option Scheme of up to 10% of the Issued and Paid-up Ordinary Share Capital (Excluding Treasury Shares) of the Company

"THAT subject to the requisite approvals being obtained, the Directors of the Company be and are hereby authorised:

- (a) to establish and administer an executive share option scheme ("Scheme") for the benefit of eligible executives and/or Directors of the Company and its subsidiaries ("Eligible Executives"), under which offers of options will be granted to such Eligible Executives to subscribe for/purchase ordinary shares of RM1.00 each ("Shares") in the Company in accordance with the provisions of the Bye-Laws referred to in Part B of the Circular to Shareholders dated 8 October 2012 ("Bye-Laws");
(b) from time to time to issue and allot such number of new Shares (unless otherwise adjusted) ("New Shares") and/or to transfer existing Shares ("Transferred Shares") to Eligible Executives pursuant to their exercise of the options under the Scheme, provided that the aggregate number of New Shares and/or Transferred Shares does not exceed 10% of the total issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any point in time during the existence of the Scheme and that the New Shares shall, upon issuance and allotment, rank pari passu in all respects with the existing issued and paid-up ordinary share capital of the Company, except that the New Shares will not rank for any dividend, right, entitlement or distribution ("Rights") in respect of which the record date precedes the allotment date of the New Shares; and for Transferred Shares, such shares shall be transferred together with all Rights in respect of which the record date is on or after the transfer date; and such New Shares and Transferred Shares will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise;
(c) to make the necessary applications to Bursa Malaysia Securities Berhad and to take whatever necessary actions at the appropriate time or times for permission to deal in and for listing of and quotation for the New Shares which may from time to time be issued and allotted pursuant to the Scheme; and
(d) to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Bye-Laws, to assent to any condition, modification, variation and/or amendment that may be required by the relevant authorities, and to do all such acts and enter into all such transactions, arrangements, agreements or undertakings, impose such terms and conditions or delegate such part of their powers as may be necessary or expedient in order to give full effect to the Scheme." (Resolution 9)

10. Proposed Grant of Options to Mr Choong Yee How

"THAT subject to the passing of Resolution 9 above, authority be and is hereby given to the Directors of the Company, from time to time, to offer and to grant to Mr Choong Yee How, the President & Chief Executive Officer of the Company, options to subscribe for/purchase such number of ordinary shares of RM1.00 each in the Company (unless otherwise adjusted) under the executive share option scheme of the Company ("Scheme") as they shall deem fit PROVIDED THAT not more than 10% of the Maximum Aggregate, the "Maximum Aggregate" being defined in the Bye-Laws of the Scheme as an amount equivalent to 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time, are allotted to him if he, either singly or collectively through persons connected with him, holds 20% or more of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the Bye-Laws of the Scheme." (Resolution 10)

11. Proposed Grant of Options to Mr Quek Kon Sean

"THAT subject to the passing of Resolution 9 above, authority be and is hereby given to the Directors of the Company, from time to time, to offer and to grant to Mr Quek Kon Sean, the Executive Director of the Company, options to subscribe for/purchase such number of ordinary shares of RM1.00 each in the Company (unless otherwise adjusted) under the executive share option scheme of the Company ("Scheme") as they shall deem fit PROVIDED THAT not more than 10% of the Maximum Aggregate, the "Maximum Aggregate" being defined in the Bye-Laws of the Scheme as an amount equivalent to 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time, are allotted to him if he, either singly or collectively through persons connected with him, holds 20% or more of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the Bye-Laws of the Scheme." (Resolution 11)

12. To consider any other business of which due notice shall have been given.

By Order of the Board

CHRISTINE MOH SUAT MOI (MAICSA 7005095) Group Company Secretary

Kuala Lumpur 8 October 2012

NOTES:

- 1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 22 October 2012 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
2. Save for a member who is an exempt authorised nominee, a member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.
3. A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
4. The Form of Proxy must be deposited at the Registered Office of the Company at Level 8, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Ordinary Resolution 6 on Authority to Directors to Issue Shares

The proposed Ordinary Resolution, if passed, will give a renewed mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting ("AGM") of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 28 October 2011 and which will lapse at the conclusion of the Forty-third AGM.

The Renewed Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issue of new shares and to avoid delay and cost in convening general meetings to approve such issue of shares.

2. Ordinary Resolutions 7 and 8 on Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolutions, if passed, will empower the Company and its subsidiaries (excluding Hong Leong Bank Berhad and Hong Leong Capital Berhad and their respective subsidiaries) ("HLFG Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for HLFG Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company.

3. Ordinary Resolution 9 on Proposed Establishment of a New Executive Share Option Scheme ("ESOS")

The proposed Ordinary Resolution, if passed, will allow the Company to establish a new ESOS ("Proposed New ESOS") for eligible executives and/or Directors of the Company and its subsidiaries ("Eligible Executives") to participate in the equity of the Company. The Proposed New ESOS will run concurrently with the existing ESOS which will expire in 2016, and empower the Company to issue and allot from time to time such number of new ordinary shares of RM1.00 each in the Company ("Shares") (unless otherwise adjusted) and/or transfer existing Shares to Eligible Executives pursuant to the exercise of their options under the Proposed New ESOS.

4. Ordinary Resolutions 10 and 11 on Proposed Grant of Options to Mr Choong Yee How and Mr Quek Kon Sean

The proposed Ordinary Resolutions, if passed, will allow the Directors of the Company to offer and to grant to Mr Choong Yee How and Mr Quek Kon Sean, options to subscribe for/purchase such number of ordinary shares of RM1.00 each in the Company (unless otherwise adjusted) under the Proposed New ESOS.

Detailed information on the Proposed Renewal of Shareholders' Mandate, Proposed New ESOS and proposed grant of options to Mr Choong Yee How and Mr Quek Kon Sean are set out in the Circular to Shareholders dated 8 October 2012 which is dispatched together with the Company's 2012 Annual Report.