

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Forty-seventh 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 Thursday, 27 October 2016 at 11.30 a.m. in order:

- 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 2016.
- To approve the payment of Director Fees of RM400,000 for the financial year ended 30 June 2016 (2015: RM400,000), to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 1)**
- To pass the following motions as ordinary resolutions:-
  - THAT** Mr Tan Kong Khoo who retires pursuant to Article 94 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." **(Resolution 2)**
  - THAT** Mr Saw Kok Wei who retires by rotation pursuant to Article 115 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." **(Resolution 3)**
  - THAT** YBhg Tan Sri Quek Leng Chan 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)**
  - THAT** YBhg Tan Sri Dato' Seri Khalid Ahmad bin Sulaiman 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 5)**
- To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 6)**

### SPECIAL BUSINESS

As special business, to pass the following motions as ordinary resolutions:-

- Ordinary Resolution  
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 of 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 7)**

- Ordinary Resolution  
Proposed Renewal of Shareholders' Mandate for 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) of the Company's Circular to Shareholders dated 5 October 2016 ("the Circular") with HLCM and persons connected with HLCM ("Hong Leong Group"), 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 Hong Leong Group 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** such approval shall continue to be in force until:

- 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
- 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
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

**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." **(Resolution 8)**

- Ordinary Resolution  
Proposed Renewal of Shareholders' Mandate for 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) of the Company's Circular to Shareholders dated 5 October 2016 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 Tower REIT 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** such approval shall continue to be in force until:

- 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
- 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
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

**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." **(Resolution 9)**

- Ordinary Resolution  
Proposed Allocation of Options and/or Grants to Mr Tan Kong Khoo**

**THAT** authority be and is hereby given to the Directors of the Company, from time to time, to offer to Mr Tan Kong Khoo, the President & Chief Executive Officer of the Company, options to subscribe for/purchase such number of ordinary shares of RM1.00 each (unless otherwise adjusted) in the Company ("Shares") and/or grants comprising such number of Shares under the Executive Share Scheme of the Company ("ESS") 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 ESS ("Bye-Laws") 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." **(Resolution 10)**

- 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  
5 October 2016

### NOTES:

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 21 October 2016 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
- 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 (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions 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 (2) proxies in respect of each securities account it holds. 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.
- Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointment shall be invalid.
- 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.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of a poll.

### EXPLANATORY NOTES

#### 1. Resolution 7 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, 94,749,101 new ordinary shares of RM1.00 each in the Company were issued by way of renounceable rights issue ("Rights Issue") pursuant to the Specific Mandates granted to the Directors at the last AGM held on 28 October 2015. The proceeds of RM1,099,089,571.60 raised from the Rights Issue have been utilised for part subscription of the Company's entitlement under the renounceable rights issue of Hong Leong Bank Berhad and expenses incidental to the Rights Issue. No new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last AGM held on 28 October 2015 and which will lapse at the conclusion of the Forty-seventh 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. Resolutions 8 and 9 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 ("Proposed Shareholders' Mandate").

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 5 October 2016 which is despatched together with the Company's 2016 Annual Report.

#### 3. Resolution 10 on Proposed Allocation of Options and/or Grants to Mr Tan Kong Khoo ("Proposed Allocation")

The proposed Ordinary Resolution, if passed, will allow the Directors of the Company to offer to Mr Tan Kong Khoo, who was appointed as President & Chief Executive Officer of the Company on 5 February 2016, options to subscribe for/purchase such number of ordinary shares of RM1.00 each (unless otherwise adjusted) in the Company ("Shares") and/or grants comprising such number of Shares under the Executive Share Scheme of the Company ("ESS"), as part of the Company's efforts to retain, motivate and reward him with an equity stake in the success of the HLFG Group, provided that not more than 10% of the Maximum Aggregate, the Maximum Aggregate being defined in the bye-laws of the ESS ("Bye-Laws") 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 over the period of the ESS.

The ESS, comprising an executive share option scheme ("ESOS") and an executive share grant scheme ("ESGS") which was implemented on 12 March 2013 and 28 February 2014 respectively, is governed by the Bye-Laws and will expire on 11 March 2023.

The option price to subscribe for/purchase such number of Shares under the ESOS to be determined shall not be more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the Shares preceding the offer date and shall in no event be less than the par value of the Shares. Shares offered under the ESGS will not require any consideration to be payable.

Mr Tan Kong Khoo is deemed interested in the Proposed Allocation. Accordingly, he will abstain from voting, in respect of his direct and/or indirect shareholdings in the Company, if any, on the proposed ordinary resolution in relation to the Proposed Allocation at the Forty-seventh Annual General Meeting of the Company. Mr Tan Kong Khoo will also ensure that persons connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the proposed ordinary resolution in relation to the Proposed Allocation. Save as disclosed, none of the Directors and major shareholders of the Company and/or persons connected with them, has any interest, direct or indirect, in the Proposed Allocation.