

HONG LEONG FINANCE LIMITED

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

Minutes of the 64th Annual General Meeting (“**AGM**” or the “**Meeting**”) of HONG LEONG FINANCE LIMITED (“**HLF**” or the “**Company**”) held at M Hotel, Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Thursday, 25 April 2024 at 10.00 a.m.

Present:

- Board of Directors :
- Mr Kwek Leng Beng
(Executive Chairman and Managing Director)
 - Mr Peter Chay Fook Yuen
(Lead Independent Director
Chairman of the Audit Committee,
the Remuneration Committee and
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 Gek Leong
(Independent Director)
 - Ms Jeann Low Ngiap Jong
(Independent Director)
 - Mr Kwek Leng Peck
(Non-executive Non-independent Director)
 - Mr Kwek Leng Kee
(Non-executive Non-independent Director)
- Shareholders and proxies : As per attendance list
- Senior Management : As per attendance list

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

By Invitation : Auditors – KPMG LLP
Mr Tan Chun Wei (Chen Junwei)
Ms Amelia Cheah

Independent Scrutineers – TS Tay Public
Accounting Corporation
Mr Andrew Khoo

1. COMMENCEMENT OF MEETING

- 1.1 The Chairman welcomed the shareholders to the AGM of the Company. He informed shareholders that they would be able to vote on the AGM resolutions once the AGM formally commenced and voting would close after the Question and Answer (“Q&A”) session.
- 1.2 The Chairman informed the Meeting that the Company had not received any questions from shareholders as at 11 April 2024, being the cut-off date for shareholders to submit questions. However, the Company had received a question related to the resolution to be tabled for approval at this AGM from a shareholder in advance of the AGM on 12 April 2024, and its response had been published on its corporate website and the website of Singapore Exchange (“SGX”) on 19 April 2024. Shareholders would also be invited to raise questions at the AGM during the Q&A session after all the resolutions had been proposed at the AGM.
- 1.3 As a quorum was present, the Chairman called the Meeting to order and introduced the members of the Board of Directors (the “Board”) present at the Meeting. The President, Mr Ang Tang Chor, the Chief Financial Officer (“CFO”), Ms Joan Yeo, members of the Senior Management team, the Company Secretaries and representatives of the Company’s auditors, KPMG LLP (“KPMG”), were also in attendance at the Meeting.

2. NOTICE

The Notice convening the Meeting (“AGM Notice”), which had been sent to all shareholders and was also published on the Company’s corporate website and SGX website, was taken as read.

3. PRESENTATION BY THE CFO

- 3.1 The Chairman called upon the CFO to give a general overview of the financial performance of the Company for the financial year ended 31 December (“FY”) 2023 (the “Financial Performance”).
- 3.2 The CFO gave a presentation on the Financial Performance. A copy of her presentation slides which is annexed to these minutes as ‘Annexure A’ was released via SGXNet after the Meeting on 25 April 2024, and uploaded on the Company’s corporate website.

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3.3 The Chairman thanked the CFO for her presentation.

4. VOTING

4.1 The Chairman informed that all resolutions tabled at the Meeting would be voted by poll in accordance with the Listing Manual of Singapore Exchange Securities Trading Limited and the Company's Constitution.

4.2 He also informed the Meeting that he had been appointed by numerous shareholders as their proxy and would be voting on all the resolutions in accordance with their specific instructions. He would also be proposing all the resolutions put forth at the AGM.

4.3 The Company had appointed Trusted Services Pte Ltd as the polling agent and TS Tay Public Accounting Corporation as the independent scrutineers. The Chairman advised that the Scrutineer had supervised and verified the counting of the votes of valid proxy forms submitted by shareholders. The Scrutineer would verify the votes cast by shareholders during the AGM.

4.4 The Chairman informed shareholders that voting had commenced and that they could cast their votes during the AGM until three minutes after the end of the Q&A session.

ORDINARY BUSINESS:

5. **ORDINARY RESOLUTION 1 DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR FY 2023 AND THE AUDITORS' REPORT THEREON**

5.1 The Chairman informed that Resolution 1 was to receive the Directors' Statement, Audited Financial Statements and the Auditors' Report thereon for FY 2023. The Annual Report 2023 of the Company ("**AR**") had been published on the Company's corporate website and on SGX website.

5.2 He proposed the following motion:

"That the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for FY 2023 together with the Auditors' Report thereon be and are hereby received."

6. **ORDINARY RESOLUTION 2 FINAL DIVIDEND**

The Chairman proposed the following motion:

"That a final one-tier tax exempt dividend of 9 cents per share in respect of FY 2023 as recommended by the Directors be and is hereby declared for payment on 24 May 2024 to the shareholders registered on 8 May 2024."

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**7. ORDINARY RESOLUTION 3
DIRECTORS' FEES**

The Chairman proposed the following motion:

“That the Directors’ Fees of \$1,689,185 for FY 2023 be and are hereby approved.”

**8. ORDINARY RESOLUTIONS 4(a), 4(b), 4(c), 4(d)
RE-ELECTION OF DIRECTORS**

8.1 The Chairman informed that Mr Kwek Leng Kee, Mr Kevin Hangchi, Mr Peter Chay, and Mr Christian de Charnace, collectively, the “**Retiring Directors**” would retire as Directors in accordance with the Company’s Constitution at the AGM. The Retiring Directors being eligible for re-election, had offered themselves for re-election. Information on the Retiring Directors seeking re-election could be found under the sections on ‘Board of Directors’ and ‘Additional Information on Directors Seeking Re-election’ in the AR as well as under notes 3 to 5 of the AGM Notice. The Nominating Committee, with Mr Chay abstaining in respect of his own re-election, had recommended the re-election of these Retiring Directors.

8.2 As mentioned under paragraph 4.2 above, the Chairman would be proposing all the resolutions put forth at the AGM. Accordingly, he proposed the following motions:

(a) “That Mr Kwek Leng Kee who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.”

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

(c) “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.”

(d) “That Mr Christian Gautier de Charnace who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.”

**9. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF AUDITORS**

9.1 The Chairman informed that the Audit Committee had recommended the re-appointment of KPMG as Auditors and KPMG had expressed their willingness to be re-appointed.

9.2 The Chairman proposed the following motion:

“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.”

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SPECIAL BUSINESS:

10. ORDINARY RESOLUTION 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

10.1 The Chairman informed that Resolution 6 would empower the Directors from the date of this Meeting until the next AGM to issue shares or grant Instruments that might require shares to be issued up to a number not exceeding 50% of the total number of issued shares of the Company, with a limit of 10% for any issue of shares not made on a *pro rata* basis to shareholders. This authority will expire at the next AGM, unless revoked or varied at a general meeting.

10.2 The Chairman proposed the following motion:

“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);

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- (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 subparagraph (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 Section 161 of the Companies Act 1967 of Singapore, 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.”

11. ORDINARY RESOLUTION 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

- 11.1 The Chairman informed that Resolution 7 would empower the Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares pursuant to the exercise of such options subject to such limits as prescribed in the SOS.
- 11.2 The Chairman reminded shareholders on the voting restrictions pursuant to Rule 859 of the Listing Manual of SGX-ST. Shareholders who were eligible to participate in the SOS and were not Parent Group Employees or Parent Group Non-Executive Directors, must not vote on this resolution unless they were acting as proxies for shareholders who did not have any personal interest in this resolution and who had given specific instructions on how their votes were to be cast.

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11.3 The Chairman proposed the following motion:

“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 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.”

12. Q&A SESSION

As all the Resolutions had been proposed, the Chairman proceeded to take questions from the shareholders and/or their proxies. A summary of the questions and answers is set out below:

12.1 Shareholder A enquired about competition faced by HLF from the banks and digital banks, the squeeze of net interest margin, and the alternatives for customers to place fixed deposit.

12.1.1 The Chairman said HLF had established a niche market serving the small and medium-sized enterprises (“**SMEs**”), and would continue to do its best in this area to stay competitive. The President shared that various banks had offered competitive rates to attract customers to place deposits with them. However, banks and finance companies would need to manage the deposits taking and loan lending to make their business profitable. HLF was fortunate to have many long-time customers who continued to place deposits with them due to the trust established and the service it provided to the customers. In view of the fallout of the United States (“**US**”) regional banks in 2023, HLF had been monitoring closely the situation carefully to ensure it had sufficient liquidity to cope with any surge in withdrawal of deposits. The higher deposit base had attributed to the higher cost of fund.

12.2 The same shareholder referred to the Chairman’s statement in the AR which mentioned the launch of HLF Digital and innovative solutions. He commented that it would be advantageous for HLF to have a digital platform to keep costs down, and more importantly, to secure business. Hence, he would like to know more about HLF Digital and its innovative solutions.

12.2.1 In response, Mr Lim Wei Leon (“**LL**”), the Head of Transformation and Innovation, said that HLF had developed a digital platform as a separate banking channel to complement its physical branches and provide 24/7 services. This platform would allow HLF to service customers who wished to access their accounts remotely, especially younger customers who preferred digital channel to perform their transactions. HLF had also taken into account the importance of return on investment through digital initiatives.

12.3 The same shareholder opined that HLF could do more with artificial intelligence (“**AI**”) and cited a local bank which had adopted AI to enhance its business model and operations. He was concerned that if HLF were to maintain its current business model, it could fall behind and become less relevant.

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- 12.3.1 In addressing the shareholder's concern, LL noted that there were currently a lack of mature AI technology in the market for banking services. Although the banks had been investing substantially in AI technology, they were still testing it for internal purposes and had not concluded on the right AI products to fully adopt. Therefore, HLF would continue to study and assess AI technology to ensure it was mature and safe before using it to enhance HLF's products and derive the return on investment for its shareholders.
- 12.4. The same shareholder reiterated the importance of embedding technology in business operations and suggested that the Board consider investing more in innovative solutions and transformation to stay relevant and competitive. He respected HLF's efforts and conservative approach in maintaining profitability every year as a finance company, despite having constraint in providing certain products. He acknowledged that HLF's dividend payment was fair. However, he noted that HLF's share price had been underperforming and was currently trading at less than \$2.50 per share, a steep discount to its net asset value ("**NAV**") of \$4.49 per share and far below the share price of around \$4.00 in 2011. He said that Management should engage the investment community to share HLF's transformation/latest development such as HLF Digital. HLF could also adopt a share purchase mandate or explore a tie up with a big digital player to leverage their technology. He then asked for HLF's plan to boost its share price and/or buy back its shares.
- 12.4.1 In response, the Chairman said that investing in new technologies would require substantial capital expenditure. HLF would exercise prudence and preserve its resources whilst striving to remain profitable every year. As regards the share price which was below valuation, he pointed out the share prices of many listed companies, including some of the Hong Leong group listed companies, did not reflect the NAV either due to accounting treatment or unfavourable market condition. He urged the shareholder to be patient and wait for the market condition to improve. On the adoption of a share purchase mandate, he informed that as a finance company, HLF was not allowed to buy back its own share under the Finance Companies Act 1967 ("**FCA**").
- 12.4.2 Mr Peter Chay ("**PC**"), the Lead Independent Director ("**ID**"), thanked the shareholder for the questions. He shared that the Board would also like to see improvement to HLF's share price. Unfortunately, share price is dependent on various variables such as how investors view the share, profitability and growth of the Company and product pipelines in the Company. Additionally, HLF business operations are very much restricted by the FCA. PC shared that HLF had embarked on digital front end ("**DFE**") solutions, similar to the banks, to facilitate easy access for its customers to their accounts maintained with HLF and to transact via their mobile phone. He reiterated the Chairman's earlier response that the Board needs to be prudent in investing in new technology especially amidst the current challenging market condition. Hence, it is more important for HLF to ensure that its risk management and governance are fundamentally strong. He expressed his gratitude to shareholders and loyal customers who placed their deposits with HLF. Lastly, he acknowledged the need to engage more with investor relations, and he would take this to the Board for deliberation.
- 12.5 Shareholder B noted that the three local banks had reported good financial results while HLF had reported a drop in its turnover and net profit for FY 2023. He also noted that the bulk of HLF's customer loans were in housing and mortgage properties and enquired on how HLF would compete with the three local banks and the outlook going forward in view that the banks also offered similar products.

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- 12.5.1 In response, the President said that the decline in net profit for FY 2023 was attributed to a higher base for FY 2022. However, in 2023, the high interest rates environment had affected many financial institutions, including HLF. While he acknowledged that 2023 had been a difficult year for HLF, it had managed to record an average net profit of \$103 million for the three years from FY 2021 to FY 2023. He assured shareholders that Management would continue to improve its current performance with its digitalisation efforts. However, he cautioned that during this transition period, operating costs would go up as HLF invests in technology and resources to strengthen its digital initiatives.
- 12.6 The same shareholder queried on the reason for the decrease in net profit for FY 2023 since an increase in interest rates should result in an increase in net interest margin, as was the case with the banks.
- 12.6.1 In response, the President referred the shareholder to page 78 of the AR and highlighted that whilst interest on loans had increased substantially, this was offset by an increase in the cost of deposits as the main source of funding came from customers deposits. As a finance company, HLF was unable to access various type of capital market instruments and interbank market unlike the banks. As a comparison, in FY 2022 when interest rates were lower, the average cost of deposit was less than 1% but for FY 2023, this cost had shot up to about 3% due to the increase in interest rates.
- 12.7 The same shareholder then enquired on HLF's strategies to stay competitive in the market.
- 12.7.1 The Chairman hoped that the FCA could be reviewed to allow finance companies to have an expanded scope of activities. It was noted that currently, there were only three finance companies in Singapore including the Company. He believed that it would take some time for the FCA to be amended.
- 12.7.2 HLF would continue to engage with the authorities to see how best the Company could move forward and keep up with the competition from the banks. The Monetary Authority of Singapore ("**MAS**") had also encouraged HLF to adopt digitalisation. However, he believed that it would not be prudent for the Company to invest too heavily in its digital solutions and initiatives for the time being bearing in mind the need to also conserve cash. The Chairman also said that currently, there were no plans to privatise the Company.
- 12.8. Referring to the various digital initiatives highlighted in the Chairman's statement including HLF Digital, the same shareholder would like to know how these initiatives would contribute to HLF's top and bottom lines; and how much of the Company's investment in digital initiatives had contributed to the revenue and net profit.
- 12.8.1 In response to the first question, the CFO explained that investment in digitalisation would bring both financial and non-financial returns for the Company. Digital capabilities would allow the Company to expand its financial product offerings through the digital channel, increase the loan volume, and in the long run, help to generate revenue. Digital initiatives would also improve efficiency, turnaround time, and loan application processing time. Operating costs would increase initially as the Company invests in the digital initiatives but over time, it was hoped that the Company would be able to reap returns on the investments.

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- 12.8.2 In response to the second question, the CFO said that the digital transformation was still in its early stage. Once the digital systems are rolled out, the cost relating thereto would be capitalised and Management would then be in a better position to assess the overall cost of investment and its returns. However, a digital roadmap was in place to track the Company's digitalisation journey and revenue projection was done on a progressive basis.
- 12.9 The CFO elaborated that the digital channel would provide an additional avenue to complement the existing branch network. Management hoped that the digital channel would enhance customer engagement and also engage the younger generation, who preferred the digital channel.
- 12.10 As to whether the Company would adopt the 'big bang' entry into digitalisation, for example, if HLF's DFE would be as commonly used as DBS' PayLah application, the CFO explained that while DBS PayLah functioned as a mobile wallet, DFE was a digital platform that would be available in mobile app and internet. This would allow customers to access and manage fund transfers and open a deposit account without the need to visit a physical branch. Management was of the view that a phased implementation of its digitalisation efforts would be more prudent as areas like risk monitoring, cyber security and anti-money laundering were important and must first be taken care of.
- 12.11 Shareholder C noted that a majority of the Board members were seniors. He believed the Board had the necessary skills and experience to bring the Company forward and he enquired if there were other plans to bring HLF to the next level.
- 12.11.1 The Chairman reassured shareholders that a Board succession plan was in place. Although the Company's business operations were restricted under the FCA, he hoped that the FCA would be amended one day and allow the Company to capitalise on opportunities ahead.
- 12.12 Shareholder D noted that HLF's dividend yield had been good. He also commended the Company on its theme for its AR 2023 "A Trusted Friend, A Committed Partner" which would resonate well with many.
- 12.13 Given the regulatory constraints on local finance companies, Shareholder E asked if the Company had plans to explore converting to a bank or a partnership with other players with the capability to allow HLF to become a bank. He opined that by operating as a bank, HLF share price might go up.
- 12.13.1 In response, the Chairman said that in spite of the constraints, HLF had been able to remain profitable and had paid good dividends to its shareholders. Even if HLF became a bank, it would be a new player in the banking sector and would need to raise its capital, which might not necessarily bring up the share price.
- 12.14 The same shareholder noted that the business landscape was constantly evolving rapidly with new technologies emerging. He expressed his concern that given the age of majority of the Board members, he queried if the Board would consider appointing any new and younger Directors with information technology ("IT") capabilities to provide fresh insights in order for HLF to stay competitive while Shareholder B suggested to invite Ms Jeann Low ("JL"), an ID, who appeared to have some experience in digitalisation to share her views.

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12.14.1 While acknowledging the importance of IT, the Chairman also reiterated the importance of preserving profits and paying good dividends to the shareholders.

12.14.2 JL shared that since her appointment in April 2023, she had noted that HLF had its own strengths in terms of loyal and faithful customers. HLF had been able to build its business pillars from areas like motor vehicles and housing financing, mortgage, and SME loan. She also observed that HLF had managed its liquidity well, having been profitable and paying good dividends to its shareholders. HLF had become sustainable and a niche player in the financial sector. She opined that if HLF were to move out of its current business model, it might be taking risks that would not commensurate with its operations. In terms of IT, it would be a journey which entailed transformation and investment. HLF's digital platform aimed to interface their customers' HLF account with their own banks' current account in Singapore, rather than duplicating the capabilities of the banks' applications.

12.15 Shareholder F commented that IT is a 2-edged sword resulting in scam cases rising with billions of dollars lost. He expressed his appreciation to the Chairman for being prudent in managing the Company. He then asked if HLF had encountered any incidents where depositors had lost their money through scams.

12.15.1 The Chairman replied in the negative, and assured shareholders that HLF had put in place robust measures to detect and safeguard against any scam cases.

12.16 Shareholder G asked if there would be any repercussion for HLF in view of the recent increase of consumer price index in US which resulted in the Federal Reserve, the US central bank, delaying their interest rate cut from June to November, or the following year.

12.16.1 In response, the Chairman said that MAS as well as Management had been monitoring the situation in the US.

13. **POLLING**

13.1 As all the items of the agenda in the AGM Notice had been dealt with, the Chairman reminded the shareholders to cast their votes on the Resolutions, if not already done so.

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13.2 Voting on the Resolutions closed three minutes from the end of the Q&A session and the poll voting results, duly verified, were set out below:

Ordinary Business – Ordinary Resolutions					
Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
<u>Resolution 1</u> Receipt of the Directors' Statement, Audited Financial Statements and the Auditors' Report thereon	239,830,878	239,777,678	99.98	53,200	0.02
<u>Resolution 2</u> Declaration of a Final Dividend	240,095,113	240,067,913	99.99	27,200	0.01
<u>Resolution 3</u> Approval of Directors' Fees	238,910,013	238,791,901	99.95	118,112	0.05
<u>Resolution 4(a)</u> Re-election of Mr Kwek Leng Kee as Director	238,327,234	236,843,529	99.38	1,483,705	0.62
<u>Resolution 4(b)</u> Re-election of Mr Kevin Hangchi as Director	238,834,997	238,705,445	99.95	129,552	0.05
<u>Resolution 4(c)</u> Re-election of Mr Peter Chay Fook Yuen as Director	239,882,513	238,458,029	99.41	1,424,484	0.59

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Ordinary Business – Ordinary Resolutions (cont'd)					
Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
<u>Resolution 4(d)</u> Re-election of Mr Christian Gautier de Charnace as Director	239,882,513	239,720,699	99.93	161,814	0.07
<u>Resolution 5</u> Re-appointment of KPMG LLP as Auditors	239,900,513	237,459,337	98.98	2,441,176	1.02
Special Business – Ordinary Resolutions					
<u>Resolution 6</u> 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 SGX-ST	239,874,213	239,094,071	99.67	780,142	0.33
<u>Resolution 7</u> 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 and to issue shares in accordance with the provisions of the SOS	230,421,120	225,000,622	97.65	5,420,498	2.35

13.3 Based on the poll voting results, the Chairman declared each of all the Ordinary Resolutions tabled at the Meeting carried by a majority vote.

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14. CONCLUSION

The Chairman, on behalf of the Board, thanked the shareholders for their attendance at the AGM and support for the Company. He declared the Meeting closed at 11.30 a.m.

Read and signed as correct

(Signed by Mr Kwek Leng Beng)

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Chairman



'Annexure A'
HONG LEONG FINANCE

The SME Specialist

64th Annual General Meeting

Financial Highlights 2023

25 April 2024



豐隆金融有限公司

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Financial Performance 2023

	2023 (\$m)	2022 (\$m)	Y-o-Y (%)
Net interest income	202.2	242.2	(16.5)
Non interest income	10.1	16.5	(38.8)
Operating income	212.3	258.7	(17.9)
Operating expenses	(104.9)	(98.8)	6.1
Operating profit before allowances	107.4	159.9	(32.8)
Allowances	4.6	(2.8)	(>100)
Income tax expense	(18.6)	(26.2)	(28.9)
Net attributable profit	93.4	130.9	(28.7)


- ❖ 2023 net profit at \$93.4 million driven by total operating income of \$212.3 million at net interest margin of 1.5%.
- ❖ Lower net profit on high base of record performance in 2022, driven by higher funding cost on higher deposit base at market rates.

EPS: 20.82 cents (2022: 29.21 cents)



HONG LEONG FINANCE

Balance Sheet Position

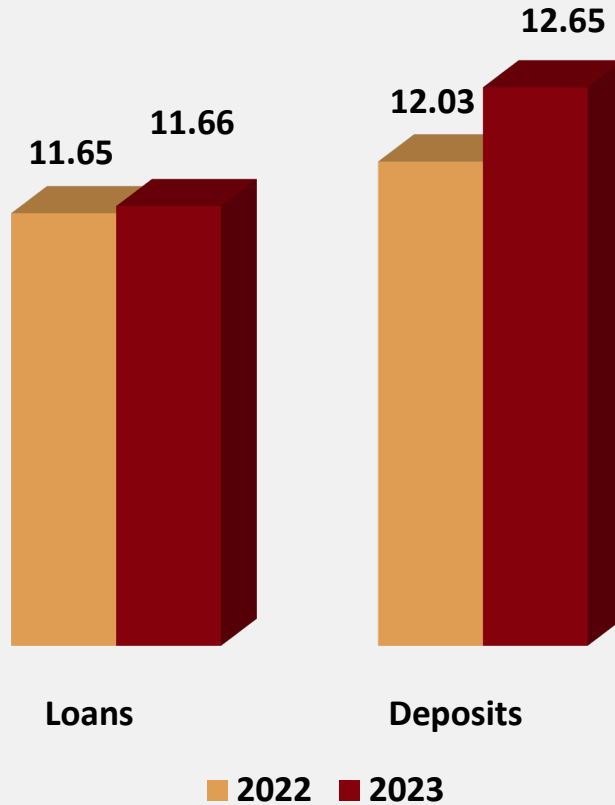
	2023 (\$b)	2022 (\$b)	Y-o-Y (%)
Total Assets	15.0	14.3	4.8
Total Liabilities	12.9	12.2	5.4
Net Assets/ Equity	2.1	2.1	1.0

- ❖ Strong balance sheet with robust capital adequacy ratio and minimum liquid asset well above regulatory requirements to support lending activities and liquidity buffer.
- ❖ Stable funding base, comprising 84% from customer deposits and 14% from equity.
- ❖ Net assets value per share at \$4.59 (Dec 2022: \$4.55).



Customer Loans and Deposits

Loans & Deposits (\$b)

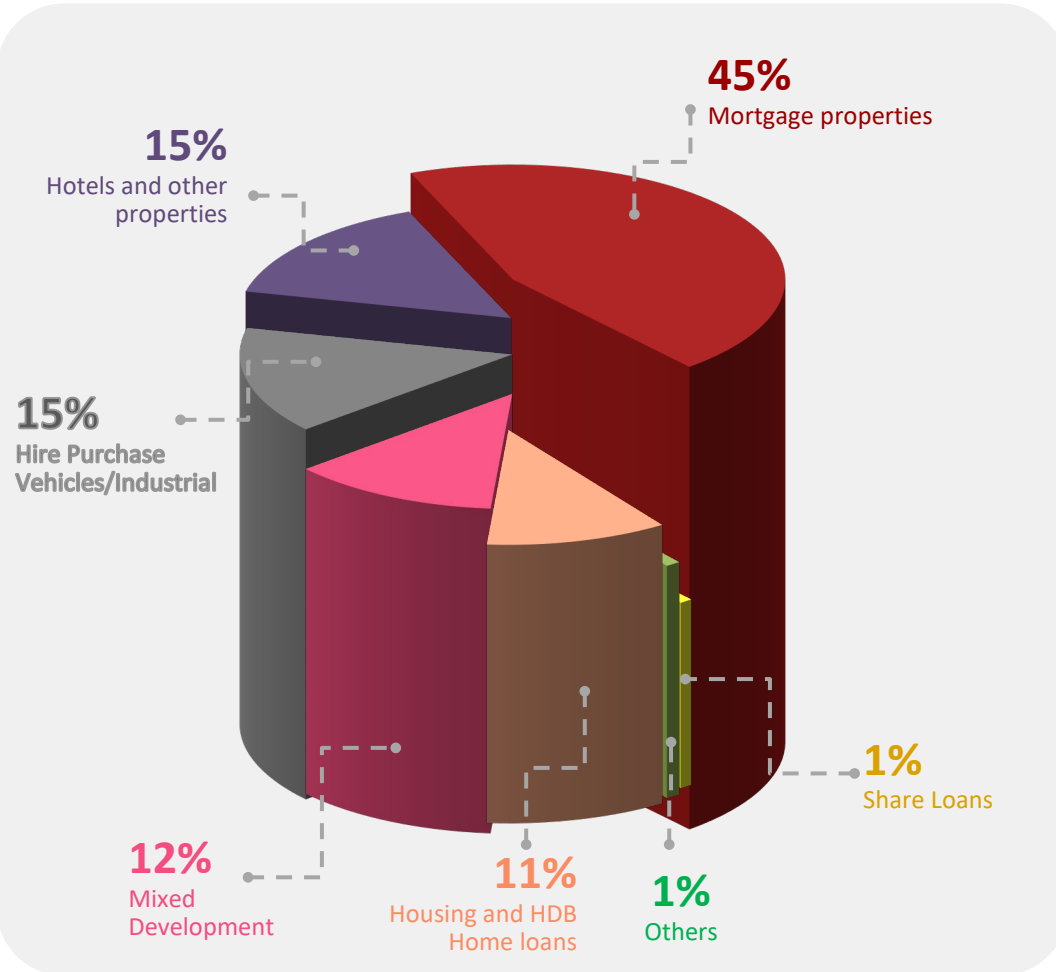


- ❖ Stable Loans portfolios, growth moderated at 0.1%.
- ❖ Strong deposits base, grew by 5.1% with well diversified customer base.
- ❖ Enhanced LDR at 92%.

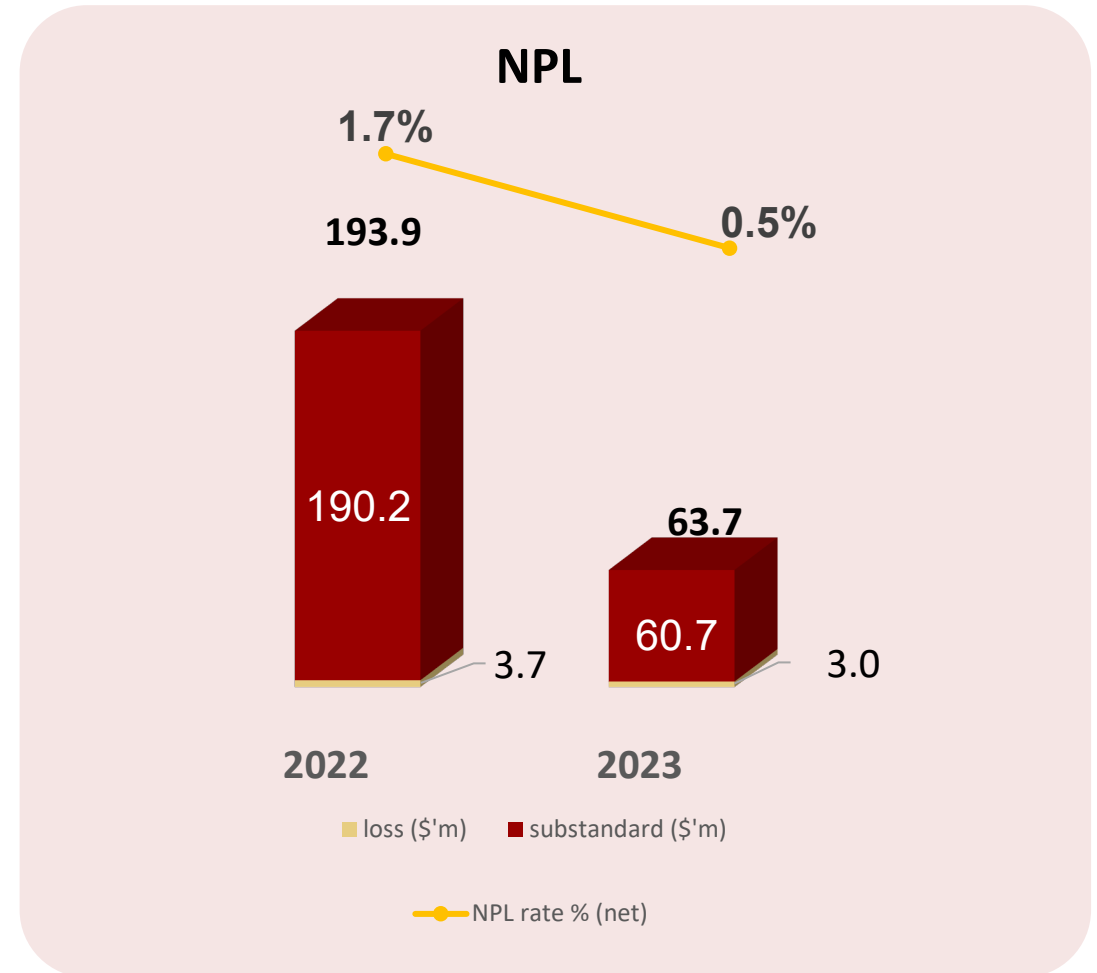


Loans Portfolio

- ❖ Key pillars of business remain strong
- ❖ Loan portfolios largely collateralized



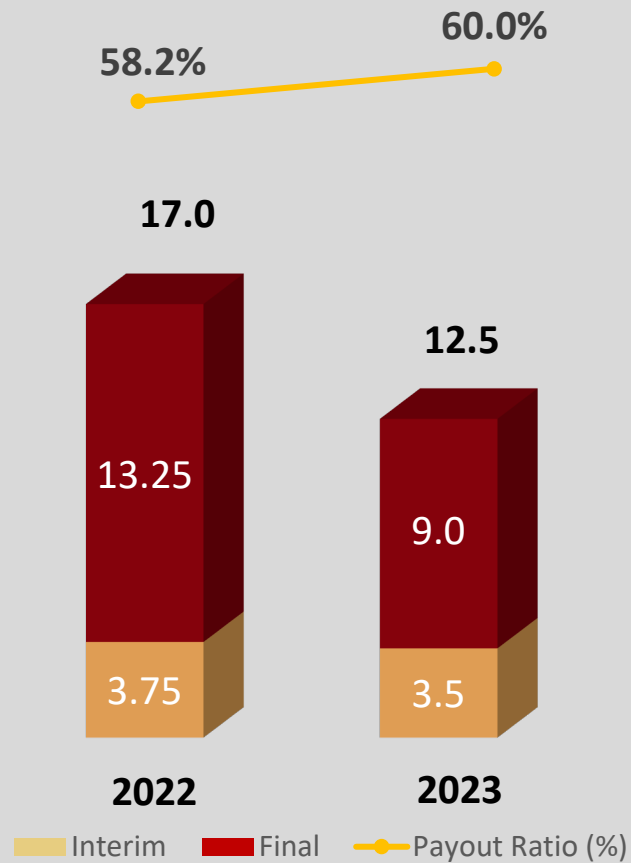
NPL ratio decreased to a low of 0.5%, of which secured NPL at 95.2%



HONG LEONG FINANCE

Dividends Distribution

(Dividends per share in cents)



Committed to sustainable returns to shareholders

1 Sep 2022
Interim dividend of 3.75 cents per share of \$16.8m

26 May 2023
Final dividend of 13.25 cents per share of \$59.4m

31 Aug 2023
Interim dividend of 3.5 cents per share of \$15.7m

24 May 2024
Proposed final dividend of 9 cents per share approximately \$40.4m



HONG LEONG FINANCE

AWARDS AND ACCOLADES 2023

TOP 1000
WORLD BANKS

TOP 100
ASEAN BANKS

**BEST
PERFORMING
BANK IN
SINGAPORE**

The Banker



**MARKET
LEADERS
IN SINGAPORE**

CORPORATE BANKING &
SME BANKING (NOTABLE)

Euromoney

**ASEAN
FINANCE
COMPANY
OF THE YEAR**

Asian Banking & Finance

**TOP 100
SINGAPOREAN
BRAND**

Brand Finance



**SINGAPORE
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INDEX**

NUS Business School's
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The Business Times

**EXCELLENCE
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Marketing-Interactive

THANK YOU



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