

HONG LEONG CAPITAL BERHAD (213006-U)

Summary of key matters discussed at the 25th Annual General Meeting (“AGM”) of **Hong Leong Capital Berhad** (the “Company” or “HLCB”) held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 27 October 2016 at 10.00 a.m.

- (a) Please share the outlook for the stockbroking unit, its positioning in Financial Year (“FY”) 2017 and the extent and impact of digital transformation in the strategy as well as efforts to strengthen and increase its institutional space.

Response:

- New initiatives are being carried out to focus on the online broking business. New applications will be developed to ensure effective client engagement and delivery with value-add trading ideas and market news. The stockbroking business will also be implementing a Shariah Compliance Trading Window to allow Shariah Compliant Funds to trade Shariah stocks mainly for its institutional clients. The Company continuously looks at diversifying its income streams across various customer segments.

- (b) Please update on the latest position of the public shareholding spread following from the trading suspension of the Company’s shares imposed by Bursa due to the non-compliance of the “Public Shareholders Spread”.

Response:

- The latest position remains unchanged and the public shareholding spread is at 18.67%. Besides seeking advice from another independent investment bank for practical options to address the non-compliance of the Company’s public shareholding spread and writing to the Company’s substantial shareholder, HLF, the Board has not been able to identify a satisfactory plan to address the non-compliance with the 25% public shareholding spread requirement without shareholders’ support and approval.