

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-eighth Annual General Meeting of Hong Leong Industries Berhad ("the Company") will be held virtually through live streaming from the broadcast venue at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on Thursday, 2 December 2021 at 3:00 p.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 2021.
- To approve the payment of Director Fees of RM388,575/- (2020: RM382,000/-) for the financial year ended 30 June 2021 to be divided amongst the Directors in such manner as the Directors may determine and Directors' Other Benefits of up to an amount of RM46,000/- from the Fifty-eighth Annual General Meeting ("AGM") to the Fifty-ninth AGM of the Company. **Resolution 1**
- To re-elect the following Directors:
(a) YBhg Datuk Kwek Leng San **Resolution 2**
(b) Ms Quek Sue Yian **Resolution 3**
(c) YBhg Datuk Noharuddin Bin Nordin @ Harun **Resolution 4**
(d) Mr Edward Chin Fook Ling **Resolution 5**
(e) Ms Cheryl Khor Hui Peng. **Resolution 6**
- To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions:

- Ordinary Resolution**
Authority To Directors To Allot Shares
"THAT subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer 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 and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) 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 allotted 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 8**

- 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"), GuoLine Capital Assets Limited ("GCA") And Persons Connected With Them

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(A) of the Circular to Shareholders dated 29 October 2021 with HLCM, GCA and persons connected with them ("Hong Leong Group") provided that such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to the Hong Leong Group than those generally available to and/or from the public, where applicable, 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 340(2) of the Companies Act 2016 ("Act"); but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; 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 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 Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Bee Hardware Company, Sdn Berhad ("Hong Bee Hardware") And Hong Bee Motors Sdn Bhd ("Hong Bee Motors")

Proposed ordinary motion is the same as Ordinary Resolution 9 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 29 October 2021; and (b) the Related Party is "Hong Bee Hardware and Hong Bee Motors". **Resolution 10**

- Ordinary Resolution**
Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Yamaha Motor Co., Ltd ("YMC") and its subsidiaries
- Proposed ordinary motion is the same as Ordinary Resolution 9 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 29 October 2021; and (b) the Related Party is "YMC and its subsidiaries". **Resolution 11**

- Ordinary Resolution**
Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Investment Holdings Pte. Ltd. ("HLIH") And Persons Connected with HLIH

Proposed ordinary motion is the same as Ordinary Resolution 9 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 29 October 2021; and (b) the Related Party is "HLIH and persons connected with HLIH". **Resolution 12**

- Ordinary Resolution**
Proposed Establishment Of A New Executive Share Scheme Comprising A Proposed New Executive Share Option Scheme And A Proposed New Executive Share Grant Scheme Of Up To 10% Of The Total Issued Ordinary Shares In Hong Leong Industries Berhad ("HLI") (Excluding Treasury Shares) For The Eligible Executives And/O Directors of HLI And Its Subsidiaries ("Eligible Executives") ("Proposed ESS")

"THAT subject to the approvals of the relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Directors of HLI ("Board of HLI") to:

- establish and implement the Proposed ESS in accordance with the provisions of the bye-laws governing the Proposed ESS ("Bye-Laws"), a draft of which is set out in Appendix I of the Circular to Shareholders in relation to the Proposed ESS and Proposed Allocation (as define herein) dated 29 October 2021 ("Circular - ESS"); and that the Proposed ESS shall be administered by the Board of HLI or the board of directors of relevant subsidiaries (in respect of Eligible Executives in the said subsidiary only) or a duly authorised committee thereof or an individual authorised by the relevant board of directors;
- allot and issue such number of new ordinary shares in HLI ("Shares"), transfer treasury Shares, transfer existing Shares and/or cash settle, from time to time to the Eligible Executives upon the vesting of grants and/or exercise of options, subject to the terms and conditions of the Bye-Laws, provided that the aggregate number of Shares available under the Proposed ESS and any other executive share scheme established by the Company which are still subsisting, shall not exceed an amount equivalent to 10% of the total issued Shares (excluding treasury Shares) at any one time during the duration of the Proposed ESS; and that any new Shares which are to be allotted and issued pursuant to the Proposed ESS, shall upon allotment and issue, rank equally in all respects with the existing issued Shares, except that they will not rank for any dividend, right, entitlement and/or distribution, in respect of which the record date precedes the allotment date of the new Shares and will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission or otherwise;
- add, amend, modify and/or delete all or any part of the terms and conditions as set out in the Bye-Laws, from time to time provided that such addition, amendment, modification and/or deletion are effected in accordance with the provisions of the Bye-Laws; and
- do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions to delegate its power as may be necessary or expedient in order to give full effect to the Proposed ESS.

THAT the Board of HLI be and is hereby authorised to give effect to the Proposed ESS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and take all such steps and do all acts, deeds and things as they may consider necessary and/or expedient to implement, finalise and give full effect to the Proposed ESS as the Board of HLI deems fit, appropriate and in the best interest of the Company;

AND THAT the draft Bye-Laws of the Proposed ESS as set out in Appendix I of the Circular - ESS which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad be and is hereby approved." **Resolution 13**

- Ordinary Resolution**
Proposed Allocation Of Options And/Or Grants To The Group Managing Director Of HLI
"THAT subject to the passing of Ordinary Resolution 13 above and for so long as such approval remains in force and the approvals of all relevant authorities and/or parties (where applicable) being obtained, authority be and is hereby given to the Board of HLI, from time to time, to offer to YBhg Dato' Jim Khor Mun Wei, the Group Managing Director of HLI, options to subscribe for/purchase such number of Shares and/or grants comprising such number of Shares under the Proposed ESS as they shall deem fit PROVIDED THAT not more than 10% of the Maximum Aggregate (as defined in the Bye-Laws) are allotted to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total issued Shares (excluding treasury Shares) 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 14**

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

By Order of the Board

Wong Wei Fong
SSM PC No. 201908001352
MAICSA 7006751

Valerie Mak Mew Chan
SSM PC No. 202008002623
MAICSA 7017944

Company Secretaries
Kuala Lumpur
29 October 2021

Notes:

- The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulates that the main venue of the Annual General Meeting ("AGM") shall be held in Malaysia and the Chairman shall be present at the main venue of the AGM. **No shareholders/proxies will be allowed to be physically present at the broadcast venue of the AGM. Please refer to the Administrative Notes to Shareholders for the detailed steps on remote participation and electronic voting.**
- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 25 November 2021 shall be entitled to attend this meeting or appoint proxy(es) 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 this meeting is entitled to appoint not more than two (2) proxies to attend, participate and vote in his stead. A proxy may but need not be a member of 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 (1) 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 appointments shall be invalid.
- The Form of Proxy must be deposited at the Registered Office of the Company at Level 31, Menara Hong Leong, No. 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia or lodged electronically via email at cases-hlm@hongleong.com.my, not less than forty-eight (48) hours before the time appointed for holding 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 a vote by way of a poll.

Explanatory Notes:

- Resolution 1 - Director Fees And Directors' Other Benefits**
Director Fees of RM388,575/- are inclusive of Board Committee Fees of RM142,000/-; and Directors' Other Benefits refer to Directors and Officers Liability Insurance coverage based on premium paid/payable and Directors' training benefits of up to an amount of RM46,000/-.
- Resolutions 2 to 6 - Re-election of Directors**
The Nominating Committee ("NC") has considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors ("IDs") seeking for re-election at the Fifty-eighth Annual General Meeting ("AGM"). Based on the results of the Board Annual Assessment conducted for the financial year ended 30 June 2021, the performance of each of the retiring Directors was found to be satisfactory with the retiring IDs complied with the independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
The Board has endorsed the NC's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their own re-election at the NC and Board meetings.
The details and profiles of the Directors who are standing for re-election at the Fifty-eighth AGM are provided in the Board of Directors section on pages 10 to 12 of the Company's Annual Report 2021.
- Resolution 8 - Authority To Directors To Allot Shares**
The proposed ordinary resolution, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares of the Company from time to time and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.
As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 4 November 2020 and which will lapse at the conclusion of the Fifty-eighth AGM. The Renewed General 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 issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares, or allotment of shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.
- Resolutions 9 to 12 - Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature**
The proposed ordinary resolutions, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Hong Leong Industries Berhad Group, 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 and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate").
- Resolutions 13 to 14 - Proposed ESS and Proposed Allocation**
The Company currently has in place an existing 10-year executive share option scheme ("Existing ESSOS") which was implemented on 8 March 2013, and thereafter, on 28 February 2014, upon implementation of the executive share grant scheme ("Existing ESSG"), the Existing ESSOS and Existing ESSG were renamed as the Executive Share Scheme ("Existing ESS").
The Existing ESS has a remaining period of approximately 1.5 years up to its expiry on 7 March 2023. In view that most of the options offers and/or grant offers ("Offers") are performance based with performance period straddling 3 years or more, new Offers will need to be made under a new executive share scheme with a longer expiry period ("Proposed ESS"). Notwithstanding the establishment and implementation of the Proposed ESS, the aggregate number of Shares available under the Proposed ESS and the Existing ESS shall not, in any event, exceed 10% of the Company's total issued Shares (excluding treasury Shares) at any one time.
The proposed ordinary resolutions, if passed, will enable the Company to align the long-term interests of eligible executives and/or directors of HLI and its subsidiaries with those of the shareholders of the Company, as well as to motivate and reward them.
Detailed information on the Proposed Shareholders' Mandate, Proposed ESS and the Proposed Allocation is set out in the Circulars to Shareholders dated 29 October 2021, which are available on the Company's website at www.hli.com.my/gm_current.php.