



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Hong Leong Industries Berhad ("HLI" or "the Company") will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Monday, 21 February 2011 at 12.00 noon or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following motions:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 182,932,871 ORDINARY SHARES OF RM1.00 EACH IN HUME INDUSTRIES (MALAYSIA) SDN BHD ("HIMB") AND 10,000 CLASS 'B' ORDINARY SHARES OF RM1.00 EACH IN HIMB, REPRESENTING THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF HIMB FOR A PURCHASE CONSIDERATION OF RM235.2 MILLION

"THAT subject to all other relevant approvals being obtained from the relevant regulatory authorities and parties (if required), approval be and is hereby given for the Company to acquire from Hong Leong Manufacturing Group Sdn Bhd (*formerly known as Spectrum Arrangement Sdn Bhd*) ("HLMG") an aggregate of 182,932,871 ordinary shares of RM1.00 each in HIMB and 10,000 Class 'B' ordinary shares of RM1.00 each in HIMB, representing the entire issued and paid-up share capital of HIMB for a total purchase consideration of RM235.2 million to be satisfied by the issuance of 46,759,443 new ordinary shares of RM0.50 each in HLI ("Consideration Shares") at an issue price of RM5.03 per Consideration Share ("Proposed Acquisition"), in accordance with the terms and conditions of the conditional shares sale agreement dated 16 November 2010 entered into between the Company and HLMG for the Proposed Acquisition and any amendments, variations, modifications and additions thereto from time to time;

AND THAT such new Consideration Shares shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares of RM0.50 each in the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the entitlement date is before the allotment date of the Consideration Shares;

AND THAT in order to implement, complete and give full effect to the Proposed Acquisition, approval be and is hereby given for the Board of Directors of the Company ("Board") (save for Tan Sri Quek Leng Chan and Datuk Kwek Leng San who are interested in the Proposed Acquisition) to do or to procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all such documents and to enter into any arrangements, agreements and/or undertakings with any party or parties as may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Acquisition, with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authorities or as a consequence of any such requirements or as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Acquisition and in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED SUBSCRIPTION OF UP TO 175 MILLION 6-YEAR 2% NON-CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM1.00 EACH ("ICPS") IN HUME CEMENT SDN BHD ("HUME CEMENT") FOR A TOTAL CASH SUBSCRIPTION OF UP TO RM175 MILLION

"THAT subject to all other relevant approvals being obtained from the relevant regulatory authorities and parties (if required), approval be and is hereby given for the Company to subscribe up to 175 million ICPS in Hume Cement for a total cash subscription of up to RM175 million ("Proposed Subscription"), in accordance with the terms and conditions of the conditional subscription agreement dated 16 November 2010 entered into between the Company, Hume Cement and Hong Leong Manufacturing Group Sdn Bhd (*formerly known as Spectrum Arrangement Sdn Bhd*) for the Proposed Subscription and any amendments, variations, modifications and additions thereto from time to time;

AND THAT in order to implement, complete and give full effect to the Proposed Subscription, approval be and is hereby given for the Board of Directors of the Company ("Board") (save for Tan Sri Quek Leng Chan and Datuk Kwek Leng San who are interested in the Proposed Subscription) to do or to procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all such documents and to enter into any arrangements, agreements and/or undertakings with any party or parties as may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Subscription, with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authorities or as a consequence of any such requirements or as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Subscription and in the best interest of the Company."

ORDINARY RESOLUTION 3

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 159,736,405 NEW ORDINARY SHARES OF RM0.50 EACH IN HLI ("RIGHT SHARES") (WITH A MINIMUM SUBSCRIPTION LEVEL OF 118,961,971 RIGHTS SHARES) AT AN INDICATIVE ISSUE PRICE OF RM1.45 PER RIGHTS SHARE ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 ORDINARY SHARES OF RM0.50 EACH IN THE COMPANY ("HLI SHARES") HELD UPON THE COMPLETION OF THE PROPOSED ACQUISITION ON AN ENTITLEMENT DATE TO BE DETERMINED LATER

"THAT subject to the passing of Ordinary Resolutions 1 and 2, Special Resolution and all relevant approvals being obtained from the relevant regulatory authorities and parties (if required), approval be and is hereby given for the Company to allot and issue by way of a renounceable rights issue of up to 159,736,405 Rights Shares (with a minimum subscription level of 118,961,971 Rights Shares) to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced by the Board of Directors of the Company ("Board"), at an indicative issue price of RM1.45 per Rights Share on the basis of 1 Rights Share for every 2 HLI Shares held upon the completion of the Proposed Acquisition ("Proposed Rights Issue");

THAT the Board be and is hereby empowered and authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue in such manner as the Board shall in its absolute discretion deem fit or expedient in the best interest of the Company;

THAT such Rights Shares to be issued pursuant to the Proposed Rights Issue shall, upon allotment and issue, rank pari passu in all respects with the then existing HLI Shares, except that they will not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the entitlement date is prior to the allotment date of the Rights Shares;

THAT approval be and is hereby given for the Company to utilise the proceeds from the Proposed Rights Issue for the purposes as set out in Section 2.3.5 of the Circular to Shareholders dated 28 January 2011, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board shall in its absolute discretion, deem fit, necessary, expedient and/or appropriate and in the best interest of the Company;

AND THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given for the Board to do or to procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all such documents and to enter into any arrangements, agreements and/or undertakings with any party or parties as may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Rights Issue, with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authorities or as a consequence of any such requirements or as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Rights Issue and in the best interest of the Company."

SPECIAL RESOLUTION

PROPOSED CAPITAL DISTRIBUTION OF UP TO 119,802,303 ORDINARY SHARES OF RM0.50 EACH IN MALAYSIAN PACIFIC INDUSTRIES BERHAD ("MPI") ("MPI SHARES") TO THE SHAREHOLDERS OF HLI, ON THE BASIS OF 75 MPI SHARES FOR EVERY 300 ORDINARY SHARES OF RM0.50 EACH IN THE COMPANY ("HLI SHARES") HELD UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE ON AN ENTITLEMENT DATE TO BE DETERMINED LATER

"THAT subject to the passing of Ordinary Resolutions 1, 2 and 3 and all relevant approvals being obtained from the relevant regulatory authorities and parties (if required), approval be and is hereby given for the Company to distribute up to 119,802,303 MPI Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced by the Board of Directors of the Company ("Board") ("Demerger Entitlement Date"), on the basis of 75 MPI Shares for every 300 HLI Shares held ("Proposed Demerger");

AND THAT the Proposed Demerger will be effected in the following manner:

- (a) reduction of the share capital of the Company by cancelling the HLI Shares in issue on the basis of 100 HLI Shares cancelled ("Cancelled Shares") for every 300 HLI Shares held in HLI (excluding the HLI Shares held as treasury shares) on the Demerger Entitlement Date; and
- (b) reduction of the share premium reserve of the Company by the Differential Amount of up to RM562.15 million, where the "Differential Amount" is the difference between: (i) the average cost to the Company of its investment per MPI Share (being the amount of RM5.36 per MPI Share) multiplied by the number of MPI Shares being distributed, and (ii) the aggregate of the amount of the par value of the Cancelled Shares cancelled pursuant to paragraph (a) above;

AND THAT in order to implement, complete and give full effect to the Proposed Demerger, approval be and is hereby given for the Board to do or to procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all such documents and to enter into any arrangements, agreements and/or undertakings with any party or parties as may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Demerger, with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authorities or as a consequence of any such requirements or as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Demerger and in the best interest of the Company."

By Order of the Board

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
28 January 2011

Notes:

1. 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 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.
2. The Form of Proxy must be deposited at the Registered Office of the Company at Level 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time of the meeting or adjourned meeting.