

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Hong Leong Industries Berhad (the "**Company**") will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 17 June 2014 at 2.30 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications, the following motions:

**ORDINARY RESOLUTION****PROPOSED DISPOSALS OF**

- (A) **30,000,000 ORDINARY SHARES OF RM1.00 EACH IN HUME INDUSTRIES (MALAYSIA) SDN BHD ("HIMSB") REPRESENTING THE ENTIRE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF HIMSB FOR A DISPOSAL CONSIDERATION OF RM48,000,000**
- (B) **THE ENTIRE 175,000,000 6-YEAR 2% NON-CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM1.00 EACH IN HUME CEMENT SDN BHD ("HCEMENT") FOR A DISPOSAL CONSIDERATION OF RM300,000,000**

**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 dispose of to Narra Industries Berhad ("**Narra**") the following:

- (a) 30,000,000 ordinary shares of RM1.00 each in HIMSB, representing the entire issued and paid-up ordinary share capital of HIMSB for a disposal consideration of RM48,000,000 to be satisfied by the issuance of 48,000,000 new ordinary shares of RM1.00 each in Narra ("**New Narra Shares**") at an issue price of RM1.00 per New Narra Share ("**Proposed Disposal of HIMSB**"), in accordance with the terms and conditions of the conditional Shares Sale Agreement dated 10 September 2013, entered into between the Company and Narra for the Proposed Disposal of HIMSB and any amendments, variations, modifications and additions thereto from time to time; and
- (b) the entire 175,000,000 6-year 2% non-cumulative irredeemable convertible preference shares of RM1.00 each in HCement ("**HCement ICPS**") for a disposal consideration of RM300,000,000 to be satisfied by the issuance of 300,000,000 New Narra Shares at an issue price of RM1.00 per New Narra Share ("**Proposed Disposal of HCement ICPS**"), in accordance with the terms and conditions of the conditional Shares Sale Agreement dated 10 September 2013, entered into between the Company and Narra for the Proposed Disposal of HCement ICPS and any amendments, variations, modifications and additions thereto from time to time

(collectively referred to as the "**Proposed Disposals**");

**AND THAT** in order to implement, complete and give full effect to the Proposed Disposals, YBhg Dato' Ahmad Johari bin Tun Abdul Razak, an Independent Non-Executive Director of the Company, be and is hereby authorised 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 relevant documents and to enter into any arrangements, agreements and/or undertakings with any party or parties as he may deem fit, necessary, expedient and/or appropriate, with full power 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 he may in his absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Disposals and in the best interest of the Company."

**SPECIAL RESOLUTION**

**PROPOSED CAPITAL DISTRIBUTION OF 345,030,635 ORDINARY SHARES OF RM1.00 EACH IN NARRA INDUSTRIES BERHAD ("NARRA") ("NEW NARRA SHARES") TO THE SHAREHOLDERS OF THE COMPANY, ON THE BASIS OF 1,080 NEW NARRA SHARES FOR EVERY 1,000 ORDINARY SHARES OF RM0.50 EACH IN THE COMPANY HELD BY THE SHAREHOLDERS OF THE COMPANY UPON COMPLETION OF THE PROPOSED DISPOSALS OF 30,000,000 ORDINARY SHARES OF RM1.00 EACH IN HUME INDUSTRIES (MALAYSIA) SDN BHD AND THE ENTIRE 175,000,000 6-YEAR 2% NON-CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM1.00 EACH IN HUME CEMENT SDN BHD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER**

**THAT**, subject to the passing of the Ordinary Resolution above 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 345,030,635 New Narra Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date to be determined and announced by the Directors, on the basis of 1,080 New Narra Shares for every 1,000 ordinary shares of RM0.50 each held in the Company ("**Proposed Capital Distribution**");

**AND THAT** the Proposed Capital Distribution be effected in accordance with Section 64 of the Companies Act, 1965 via a reduction of the share premium reserve of the Company by RM234.09 million;

**AND THAT** any fractional entitlements to the New Narra Shares arising from the Proposed Capital Distribution shall be dealt with in such manner as the Directors may in their absolute discretion deem fit or expedient and in the best interest of the Company;

**AND THAT** in order to implement, complete and give full effect to the Proposed Capital Distribution, any one Director for the time being of the Company be and is hereby authorised to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all relevant documents with full power 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 he/she may in his/her absolute discretion deem fit, necessary, expedient and/or appropriate in connection with the Proposed Capital Distribution and in the best interest of the Company."

By Order of the Board

JOANNE LEONG WEI YIN  
VALERIE MAK MEW CHAN

Company Secretaries

Kuala Lumpur  
20 May 2014

**Notes:**

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 11 June 2014 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 this meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy may but 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. 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 or more proxies are appointed, the proportions 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 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.