



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-eighth Annual 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, 18 October 2011 at 11.45 a.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 2011.
- To approve the payment of Director fees of RM360,000/- for the financial year ended 30 June 2011 (2010 : RM290,000/-), to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 1)**
- To re-elect the following retiring Directors:
(a) YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar **(Resolution 2)**
(b) Mr Chuah Chuan Thye **(Resolution 3)**
(c) YBhg Dato' Yau Kok Seng. **(Resolution 4)**
- To pass the following motion as an Ordinary Resolution:

"THAT YM Raja Dato' Seri Abdul Aziz bin Raja Salim, a Director who retires in compliance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **(Resolution 5)**

- To appoint Auditors and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked as "Annexure" in the Annual Report, has been received by the Company for the nomination of Messrs KPMG, who have given their consent to act, as Auditors of the Company and of the intention to propose the following Ordinary Resolution:

"THAT Messrs KPMG be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Ling Kam Hoong & Co, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." **(Resolution 6)**

SPECIAL BUSINESS

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

6. Authority To Directors To Issue Shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, 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 pursuant to this resolution does not exceed 10% of the issued capital 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 issued 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 7)**

7. Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Company (Malaysia) Berhad ("HLCM") And Persons Connected With HLCM

"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 disclosed in Section 2.3(A) of the Circular to Shareholders dated 26 September 2011 with HLCM and persons connected with HLCM ("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
- such approval, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company;

AND THAT the Directors of the Company be and are hereby authorised to complete and 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 8)**

8. Proposed 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 8 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Company's Circular to Shareholders dated 26 September 2011; and (b) the Related Party is "Hong Bee Hardware and Hong Bee Motors". **(Resolution 9)**

9. Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Syarikat Motor Singa Sdn Bhd ("Sykt Motor Singa") And Sing Heng Motor Trading Sdn Bhd ("Sing Heng Motor")

Proposed ordinary motion is the same as Ordinary Resolution 8 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Company's Circular to Shareholders dated 26 September 2011; and (b) the Related Party is "Sykt Motor Singa and Sing Heng Motor". **(Resolution 10)**

10. Proposed 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 8 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Company's Circular to Shareholders dated 26 September 2011; and (b) the Related Party is "YMC and its subsidiaries". **(Resolution 11)**

11. Proposed 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 8 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Company's Circular to Shareholders dated 26 September 2011; and (b) the Related Party is "HLIH and persons connected with HLIH". **(Resolution 12)**

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

By Order of the Board

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
26 September 2011

Notes

- 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.
- 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 hours before the time of the meeting or adjourned meeting.

Explanatory Notes On Special Business

1. Authority To Directors To Issue Shares

The proposed ordinary resolution, if passed, will give a renewed mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 14 October 2010 and which will lapse at the conclusion of the Forty-eighth Annual General Meeting.

The Renewed 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 issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

2. Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Shareholders' Mandate")

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 HLI 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.

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 26 September 2011 which is despatched together with the Company's Annual Report.