

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fiftieth 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 Thursday, 17 October 2013 at 12.00 noon in order:

1. 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 2013.
2. To approve the payment of Director fees of RM350,000/- for the financial year ended 30 June 2013 (2012 : RM430,000/-), to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 1)**
3. 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)**
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 4)**
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

### SPECIAL BUSINESS

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

#### 6. Ordinary Resolution

##### - 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 6)**

#### 7. Ordinary Resolution

##### - Proposed Renewal of Shareholders' Mandate On 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 Part A of the Circular to Shareholders dated 25 September 2013 with HLCM and persons connected with HLCM ("Hong Leong Group") provided that:

- (i) 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
- (ii) 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 7)**

#### 8. Ordinary Resolution

##### - Proposed Renewal of Shareholders' Mandate On 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of Part A of the Circular to Shareholders dated 25 September 2013; and (b) the Related Party is "Hong Bee Hardware and Hong Bee Motors". **(Resolution 8)**

#### 9. Ordinary Resolution

##### - Proposed Renewal of Shareholders' Mandate On 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of Part A of the Circular to Shareholders dated 25 September 2013; and (b) the Related Party is "Sykt Motor Singa and Sing Heng Motor". **(Resolution 9)**

#### 10. Ordinary Resolution

##### - Proposed Renewal of Shareholders' Mandate On 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of Part A of the Circular to Shareholders dated 25 September 2013; and (b) the Related Party is "YMC and its subsidiaries". **(Resolution 10)**

#### 11. Ordinary Resolution

##### - Proposed Renewal of Shareholders' Mandate On 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of Part A of the Circular to Shareholders dated 25 September 2013; and (b) the Related Party is "HLIH and persons connected with HLIH". **(Resolution 11)**

#### 12. Ordinary Resolution

##### - Proposed Establishment Of An Executive Share Grant Scheme

**"THAT**, subject to the requisite approvals being obtained, the Directors of the Company be and are hereby authorised:

- (a) to establish and administer an executive share grant scheme ("Scheme") for the benefit of eligible executives and/or Directors of the Company and its subsidiaries ("Eligible Executives") under which grants of ordinary shares of RM0.50 each (unless otherwise adjusted) in the Company ("Shares") will be offered to the Eligible Executives without any consideration payable by the Eligible Executives in accordance with the provisions of the bye-laws referred to in Part B of the Circular to Shareholders dated 25 September 2013 ("Bye-Laws");
- (b) from time to time to issue and allot such number of new Shares ("New Shares") and/or to transfer existing Shares ("Transferred Shares") to Eligible Executives upon vesting of Shares pursuant to grants under the Scheme, provided that the aggregate number of Shares comprised in any options and/or grants (whether in exercised and/or unexercised options, outstanding and/or completed grants and unexpired offers pending acceptances) under all executive share schemes established by the Company which are still subsisting does not exceed 10% of the total issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any point in time during the existence of the Scheme and that the New Shares shall, upon issuance and allotment, rank pari passu in all respects with the existing issued and paid-up ordinary share capital of the Company, except that the New Shares will not rank for any dividend, right, entitlement or distribution ("Rights") in respect of which the record date precedes the allotment date of the New Shares; and for Transferred Shares, such shares shall be transferred together with all Rights in respect of which the record date is on or after the transfer date; and such New Shares and Transferred Shares will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise;
- (c) to make the necessary applications to Bursa Malaysia Securities Berhad and to take whatever necessary actions at the appropriate time or times for permission to deal in and for listing of and quotation for the New Shares which may from time to time be issued and allotted pursuant to the Scheme; and
- (d) to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Bye-Laws, to assent to any condition, modification, variation and/or amendment that may be required by the relevant authorities, and to do all such acts and enter into all such transactions, arrangements, agreements or undertakings, impose such terms and conditions or delegate such part of their powers as may be necessary or expedient in order to give full effect to the Scheme;

AND THAT the existing executive share option scheme of the Company established on 8 March 2013 ("Existing ESOS"), together with the Scheme be and is forthwith re-named "Executive Share Scheme";

AND THAT the bye-laws of the Existing ESOS be and are hereby amended to incorporate the Scheme to form a consolidated bye-laws governing the Executive Share Scheme, as set out in Appendix IV of the Circular to Shareholders dated 25 September 2013." **(Resolution 12)**

#### 13. Special Resolution

##### - Proposed Amendments To The Articles Of Association Of The Company

**"THAT** the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix VI of the Circular to Shareholders dated 25 September 2013 be and are hereby approved." **(Resolution 13)**

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

By Order of the Board

Joanne Leong Wei Yin  
Valerie Mak Mew Chan  
Company Secretaries

Kuala Lumpur  
25 September 2013

### Notes

1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 10 October 2013 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
2. 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.
3. 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.
4. 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 and the date of the meeting or adjourned meeting.

### Explanatory Notes

#### 1. Resolution 6 - 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 16 October 2012 and which will lapse at the conclusion of the Fiftieth 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. Resolutions 7 to 11 - Proposed Renewal Of Shareholders' Mandate On Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Renewal Of 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.

#### 3. Resolution 12 - Proposed Establishment Of An Executive Share Grant Scheme ("Proposed ESOS")

The proposed ordinary resolution, if passed, will allow the Company to establish the Proposed ESOS for eligible executives and/or Directors of the Company and its subsidiaries ("Eligible Executives") and provide the Company with the flexibility to determine the most appropriate instrument or combination of instruments to be granted to the Eligible Executives as part of its efforts to motivate, reward and retain Eligible Executives. Once the Proposed ESOS is approved, the Proposed ESOS together with the existing executive share option scheme of the Company which will expire on 7 March 2023 shall be renamed as Executive Share Scheme ("ESS"). The aggregate maximum number of ordinary shares of RM0.50 each (unless otherwise adjusted) in the Company ("Shares") under the ESS shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time.

#### 4. Resolution 13 - Proposed Amendments To The Articles Of Association Of The Company ("Proposed Amendments")

The proposed special resolution, if passed, will ensure clarity and enable the Company to align the Articles of Association of the Company with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### 5. Re-election Of YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar ("YAM Tunku Dara")

The Board had undertaken an annual assessment on the Independence of all its Independent Directors including YAM Tunku Dara who is seeking for re-election pursuant to the Articles of Association of the Company at the forthcoming Fiftieth Annual General Meeting. The annual assessment has been disclosed in the Statement on Corporate Governance, Risk Management and Internal Control of the Company's Annual Report.

Detailed information on the Proposed Renewal Of Shareholders' Mandate, Proposed ESOS and Proposed Amendments are set out in the Circular to Shareholders dated 25 September 2013 which is despatched together with the Company's Annual Report.