

NOTICE OF EXTRAORDINARY GENERAL MEETING I

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting I of Narra Industries Berhad ("Narra" or 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 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications, the following motions:

SPECIAL RESOLUTION**PROPOSED CAPITAL REDUCTION AND PROPOSED SHARE CONSOLIDATION**

THAT, subject to the sanction by the High Court of Malaya and all relevant approvals being obtained from the relevant regulatory authorities and parties (if required), the issued and paid-up share capital of the Company be reduced from RM62,187,600 comprising 62,187,600 ordinary shares of RM1.00 each to RM31,093,800 comprising 62,187,600 ordinary shares of RM0.50 each and that such reduction be effected by cancelling capital paid or credited as paid-up to the extent of RM0.50 per ordinary share upon each of the 62,187,600 ordinary shares of RM1.00 each of the Company, and the credit of RM31,093,800 be written off from the accumulated losses standing in the Company's Balance Sheet as at 30 June 2013 ("**Proposed Capital Reduction**");

AND THAT forthwith upon the aforesaid capital reduction taking effect, the 62,187,600 ordinary shares in the Company of RM0.50 each be consolidated in such manner that every two (2) of the said ordinary shares shall constitute one (1) ordinary share of RM1.00 each in the Company ("**New Narra Shares**") upon which the sum of RM1.00 shall be credited as fully paid-up ("**Proposed Share Consolidation**");

AND THAT such New Narra Shares shall rank *pari passu* in all respects with each other;

AND THAT fractions of New Narra Shares arising from the Proposed Capital Reduction and Proposed Share Consolidation, if any, will be disregarded and 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 Reduction and Proposed Share Consolidation, any one Director for the time being of the Company or his delegate 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 may in his absolute discretion deem fit, necessary expedient and/or appropriate in connection with the Proposed Capital Reduction and the Proposed Share Consolidation and in the best interest of the Company."

ORDINARY RESOLUTION 1**PROPOSED ACQUISITIONS OF:**

- (I) **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 PURCHASE CONSIDERATION OF RM48,000,000**
- (II) **58,000,000 ORDINARY SHARES OF RM1.00 EACH IN HUME CEMENT SDN BHD ("HCEMENT") REPRESENTING THE ENTIRE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF HCEMENT FOR A PURCHASE CONSIDERATION OF RM100,000,000**
- (III) **THE ENTIRE 175,000,000 6-YEAR 2% NON-CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM1.00 EACH IN HCEMENT FOR A PURCHASE CONSIDERATION OF RM300,000,000**

THAT, subject to the passing of the Special Resolution above and all relevant approvals being obtained from the relevant regulatory authorities and parties (if required) and upon completion of the Proposed Capital Reduction and Proposed Share Consolidation, approval be and is hereby given for the Company to:

- (i) acquire 30,000,000 ordinary shares of RM1.00 each in HIMSB representing the entire issued and paid-up ordinary share capital of HIMSB from Hong Leong Industries Berhad ("**HLI**") for a purchase consideration of RM48,000,000 to be satisfied by the issuance of 48,000,000 new ordinary shares of RM1.00 each in the Company ("**New Narra Shares**") ("**HIMSB SSA Consideration Shares**") at an issue price of RM1.00 per New Narra Share ("**Proposed Acquisition 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 HLI for the Proposed Acquisition of HIMSB and any amendments, variations, modifications and additions thereto from time to time ("**HIMSB SSA**");
- (ii) acquire 58,000,000 ordinary shares of RM1.00 each in HCement representing the entire issued and paid-up ordinary share capital of HCement from Hong Leong Manufacturing Group Sdn Bhd ("**HLMG**") for a purchase consideration of RM100,000,000 to be satisfied by the issuance of 100,000,000 New Narra Shares ("**HCement SSA Consideration Shares**") at an issue price of RM1.00 per New Narra Share ("**Proposed Acquisition of HCement**"), in accordance with the terms and conditions of the conditional Shares Sale Agreement dated 10 September 2013, entered into between the Company and HLMG for the Proposed Acquisition of HCement and any amendments, variations, modifications and additions thereto from time to time ("**HCement SSA**"); and
- (iii) acquire the entire 175,000,000 6-year 2% non-cumulative irredeemable convertible preference shares of RM1.00 each in HCement from HLI for a purchase consideration of RM300,000,000 to be satisfied by the issuance of 300,000,000 New Narra Shares ("**ICPS SSA Consideration Shares**") at an issue price of RM1.00 per New Narra Share ("**Proposed Acquisition 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 HLI for the Proposed Acquisition of HCement ICPS and any amendments, variations, modifications and additions thereto from time to time ("**ICPS SSA**")

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

AND THAT authority be and is hereby given to the Directors of the Company to issue and allot:

- (a) the HIMSB SSA Consideration Shares and the ICPS SSA Consideration Shares to HLI in accordance with the terms and conditions of the HIMSB SSA and ICPS SSA respectively; and
- (b) the HCement SSA Consideration Shares to HLMG in accordance with the terms and conditions of the HCement SSA;

AND THAT the HIMSB SSA Consideration Shares, the HCement SSA Consideration Shares and ICPS SSA Consideration Shares (collectively referred to as the "**Consideration Shares**") shall, upon allotment and issue, rank *pari passu* in all respects with the New Narra Shares after the Proposed Capital Reduction and Proposed Share Consolidation, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, that may be declared 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 Acquisitions, YBhg Datuk Syed Zaid bin Syed Jaffar Albar, an Independent Non-Executive Director 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 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 Acquisitions and in the best interest of the Company."

ORDINARY RESOLUTION 2**PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

THAT, subject to the passing of the Special Resolution and Ordinary Resolution 1 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 increase its authorised capital from RM350,000,000 divided into 350,000,000 ordinary shares of RM1.00 each to RM600,000,000 divided into 600,000,000 ordinary shares of RM1.00 each by the creation of 250,000,000 new ordinary shares of RM1.00 each and that the Memorandum of Association of the Company be altered accordingly."

By Order of the Board

JOANNE LEONG WEI YIN
VALERIE MAK MEW CHAN
Company Secretaries
Kuala Lumpur
26 May 2014

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 11 June 2014 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 forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.