

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-first 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, 16 October 2014 at 2.30 p.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 2014.
- To approve the payment of Director fees of RM350,000/- for the financial year ended 30 June 2014 (2013: RM350,000/-), to be divided amongst the Directors in such manner as the Directors may determine. **Resolution 1**
- To re-elect the following retiring Directors:
(a) YBhg Dato' Ahmad Johari bin Tun Abdul Razak **Resolution 2**
(b) YBhg Dato' Dr Zaha Rina binti Zahari. **Resolution 3**
- 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**
- 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 and of 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 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 set out in Section 2.3(A) of the Circular to Shareholders dated 24 September 2014 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 THAT such approval shall continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;

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 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 24 September 2014; and (b) the Related Party is "Hong Bee Hardware and Hong Bee Motors". **Resolution 8**

9. Ordinary Resolution

- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Syarikat Motor Singa Sdn Bhd ("Syarikat 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 the Circular to Shareholders dated 24 September 2014; and (b) the Related Party is "Syarikat Motor Singa and Sing Heng Motor". **Resolution 9**

10. Ordinary Resolution

- Proposed Renewal Of 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 24 September 2014; and (b) the Related Party is "YMC and its subsidiaries". **Resolution 10**

11. Ordinary Resolution

- Proposed Renewal Of 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 7 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 24 September 2014; and (b) the Related Party is "HLIH and persons connected with HLIH". **Resolution 11**

12. Ordinary Resolution

- Proposed Allocation Of Options And/Or Grants To Mr Jonathan Forrest Wilson

"THAT authority be and is hereby given to the Directors of the Company to offer, from time to time, to Mr Jonathan Forrest Wilson, the Group Managing Director of the Company, options to subscribe for/purchase such number of ordinary shares of RM0.50 each (unless otherwise adjusted) in the Company ("Shares") and/or grants comprising such number of Shares under the Executive Share Scheme of the Company ("ESS") as they shall deem fit **PROVIDED THAT** not more than 10% of the Maximum Aggregate ["Maximum Aggregate" being defined in the bye-laws of the ESS ("Bye-Laws") as an amount equivalent to 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time], are allotted to him if he, either singly or collectively through persons connected with him, holds 20% or more of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the Bye-Laws." **Resolution 12**

- 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
24 September 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 10 October 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 48 hours before the time appointed for holding 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 17 October 2013 and which will lapse at the conclusion of the Fifty-first 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 For 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 Hong Leong Industries Berhad Group ("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 Allocation Of Options And/Or Grants To Mr Jonathan Forrest Wilson ("Proposed Allocation")

The proposed ordinary resolution, if passed, will allow the Directors of the Company to offer to Mr Jonathan Forrest Wilson, who was appointed as Group Managing Director of the Company on 27 January 2014, options to subscribe for/purchase such number of ordinary shares of RM0.50 each (unless otherwise adjusted) in the Company ("Shares") and/or grants comprising such number of Shares under the Executive Share Scheme of the Company ("ESS"), as part of the Company's efforts to retain, motivate and reward him with an equity stake in the success of the HLI Group, provided that not more than 10% of the Maximum Aggregate ["Maximum Aggregate" being defined in the bye-laws of the ESS ("Bye-Laws") as an amount equivalent to 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time], are allotted to him if he, either singly or collectively through persons connected with him, holds 20% or more of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company over the period of the ESS.

The ESS, comprising an executive share option scheme ("ESOS") and an executive share grant scheme ("ESGS") which was implemented on 8 March 2013 and 28 February 2014 respectively, is governed by the Bye-Laws and will expire on 7 March 2023.

The option price to subscribe for/purchase such number of Shares under the ESOS to be determined shall not be more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the Shares preceding the offer date and shall in no event be less than the par value of the Shares. Shares offered under the ESGS will not require any consideration to be payable.

Mr Jonathan Forrest Wilson is deemed interested in the Proposed Allocation. Accordingly, he will abstain from voting, in respect of his direct and/or indirect interests in the Company, on the proposed ordinary resolution in relation to the Proposed Allocation at the Fifty-first Annual General Meeting of the Company. Mr Jonathan Forrest Wilson will also ensure that persons connected with him will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the proposed ordinary resolution in relation to the Proposed Allocation. Save as disclosed, none of the Directors and major shareholders of the Company and/or persons connected with them, has any interest, direct or indirect, in the Proposed Allocation.

4. Re-election Of YBhg Dato' Ahmad Johari bin Tun Abdul Razak ("YBhg Dato' Ahmad Johari")

The Board has undertaken an annual assessment on the independence of all its Independent Directors including YBhg Dato' Ahmad Johari who is seeking for re-election pursuant to the Articles of Association of the Company at the Fifty-first 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 are set out in the Circular to Shareholders dated 24 September 2014 which is despatched together with the Company's Annual Report.