

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Fifty-fourth 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 Friday, 27 October 2017 at 3.00 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 2017.
- To approve the payment of Director fees of RM542,000/- for the financial year ended 30 June 2017 to be divided amongst the Directors in such manner as the Directors may determine and Directors' Other Benefits of up to an amount of RM81,000/- for the period of 31 January 2017 until the next Annual General Meeting. **Resolution 1**
- To pass the following motions as ordinary resolutions:
  - "THAT YBhg Dato' Dr Zaha Rina binti Zahari, a Director who retires by rotation pursuant to Article 115 of the Company's Constitution, be and is hereby re-elected a Director of the Company." **Resolution 2**
  - "THAT Mr Peter Ho Kok Wai, a Director who retires by rotation pursuant to Article 115 of the Company's Constitution, be and is hereby re-elected a Director of the Company." **Resolution 3**
  - "THAT Ms Quek Sue Yian, a Director who was appointed during the financial year ended 30 June 2017 and retires pursuant to Article 94 of the Company's Constitution, be and is hereby re-elected a Director of the Company." **Resolution 4**
  - "THAT YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar be and is hereby re-appointed a Director of the Company and, having served as an Independent Non-Executive Director of the Company for more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Resolution 5**
- To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

**SPECIAL BUSINESS**

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

- Ordinary Resolution**  
**-Approval To Continue In Office As Independent Non-Executive Director**  
"THAT approval be and is hereby given for YBhg Dato' Ahmad Johari bin Tun Abdul Razak who has served as an Independent Non-Executive Director of the Company for more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Resolution 7**
- Ordinary Resolution**  
**-Authority To Directors To Allot Shares**  
"THAT subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer 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 and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of any quotation for the additional shares so allotted 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 8**
- 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 5 October 2017 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 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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 9**
- 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 9 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 5 October 2017; and (b) the Related Party is "Hong Bee Hardware and Hong Bee Motors". **Resolution 10**
- Ordinary Resolution**  
**-Proposed Renewal Of And New 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 9 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 5 October 2017; and (b) the Related Party is "YMC and its subsidiaries". **Resolution 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 9 above except that (a) the recurrent related party transactions are as disclosed in Section 2.3(B) of the Circular to Shareholders dated 5 October 2017; 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  
Valerie Mak Mew Chan  
Company Secretaries

Kuala Lumpur  
5 October 2017

**Notes:**

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 23 October 2017 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 (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A member who is an authorised nominee may appoint not more than two (2) 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 (2) 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 twenty-four (24) hours before the time appointed for holding of the meeting or adjourned meeting.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), all resolutions set out in this Notice will be put to a vote by way of a poll.

**Explanatory Notes:**

- Resolution 1 - Director Fees And Other Benefits**  
Director Fees of RM542,000/- are inclusive of Board Committees Fees of RM142,000/-; and Directors' Other Benefits refer to Directors and Officers Liability Insurance coverage based on premium paid/payable and Directors' training benefits of up to an amount of RM81,000/-.
- Resolution 5 - Re-appointment Of Director and Approval To Continue In Office As Independent Non-Executive Director and Resolution 7 - Approval To Continue In Office As Independent Non-Executive Director**  
Under the new Companies Act 2016, the requirement to put forth the re-appointment of Directors of or over the age of 70 years had been repealed. At the Fifty-third Annual General Meeting ("AGM") held on 24 October 2016, the Company had obtained shareholders' approval for the re-appointment of YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar as a Director of the Company and for her to continue in office as a Director until the conclusion of the next AGM of the Company. In this regard, the Company is seeking shareholders' approval for the re-appointment of YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar as a Director of the Company. YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar's retirement by rotation at subsequent AGMs will be in accordance with the Company's Constitution.  
The proposed Ordinary Resolution 5, if passed, will enable YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar to be re-appointed and to continue in office as an Independent Non-Executive Director of the Company. The proposed Ordinary Resolution 7, if passed, will enable YBhg Dato' Ahmad Johari bin Tun Abdul Razak to continue in office as an Independent Non-Executive Director of the Company.  
Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") provides that approval of shareholders be sought in the event that the Company would like an independent director who has served in that capacity for more than nine (9) years to continue in office as an independent director. The Company has in place an Independence of Directors Policy ("ID Policy") as set out in the Statement on Corporate Governance, Risk Management and Internal Control, and an annual assessment is conducted on the independence of independent directors by the Nominating Committee ("NC") and the Board of Directors ("Board") in accordance with the criteria set out in the MMLR and the ID Policy.  
Pursuant to the MCCG 2012, the NC and the Board have assessed the performance and independence of YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar and YBhg Dato' Ahmad Johari bin Tun Abdul Razak who have served on the Board for more than nine (9) years and determined that they remain objective and continue to bring independent and objective judgment, based on the following justifications:
  - They meet the criteria of "independent director" in accordance with the MMLR and continue to exercise independent judgment in expressing their views and deliberating issues objectively on the conduct of the Group's business and other issues raised at Board and Board Committee meetings.
  - They are free from any conflict of interest with the Company.
  - The Company benefits from the experience of YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar and YBhg Dato' Ahmad Johari bin Tun Abdul Razak who have, over time, gained valuable insight into the Group, its market and the industry.
  - Their knowledge of the Group's various core business operations during their tenure of office will enable them to discharge their duties effectively.
  - They exercise due care and diligence as Independent Non-Executive Directors of the Company and carry out their professional duties in the best interest of the Company and its shareholders.

The Board recognises that independence should not be determined solely based on tenure of service and that the continued tenure of service brings considerable stability to the Board. The Company benefits from the mix of skills, experience and competencies for informed and balanced decision-making by the Board. Accordingly, the NC and the Board recommend that YAM Tunku Dara Tunku Tan Sri Naquiah bt Almarhum Tuanku Ja'afar and YBhg Dato' Ahmad Johari bin Tun Abdul Razak continue in office as Independent Non-Executive Directors of the Company.

- Resolution 8 - Authority To Directors To Allot Shares**  
The proposed ordinary resolution, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares of the Company from time to time and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting ("AGM") of the Company.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 24 October 2016 and which will lapse at the conclusion of the Fifty-fourth AGM. The Renewed General 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 issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares, or allotment of shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

- Resolutions 9 to 12 - Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature**  
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, 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 ("Proposed Shareholders' Mandate").

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 5 October 2017 which is despatched together with the Company's Annual Report.