



Hong Leong Industries Berhad (5486-P)

A Member of the Hong Leong Group Malaysia
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary 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 Monday, 18 October 2004 immediately upon the conclusion of the 41st Annual General Meeting to be held at 11.00 a.m. on the same day, or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following motions:-

ORDINARY RESOLUTION 1

- PROPOSED RENEWAL OF THE AUTHORITY FOR THE PURCHASE OF OWN SHARES BY THE COMPANY

“THAT subject to the Companies Act, 1965 (the “Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM0.50 each in the Company's issued and paid-up share capital on Bursa Securities subject further to the following:-

- a) the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company (“Shares”) for the time being;
- b) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the retained profits and/or the share premium account of the Company. As of 30 June 2004, the audited retained profits and share premium of the Company were RM163.7 million and RM290.5 million respectively; and
- c) the authority conferred by the resolution as set out in paragraphs a) and b) above will commence immediately upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting (“AGM”) of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next AGM after that date is required by law to be held, whichever occurs first and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authority;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares;

AND the Directors of the Company be and are hereby authorised to deal with any Shares so purchased and any existing treasury shares (“the Said Shares”) in the following manner:-

- (i) cancel the Said Shares;
- (ii) retain the Said Shares as treasury shares;
- (iii) retain part of the Said Shares as treasury shares and cancel the remainder;
- (iv) distribute all or part of the Said Shares as dividends to shareholders, and/or resell on Bursa Securities and/or cancel all or part of them,

or in any other manner as may be prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force AND THAT the authority to deal with the Said Shares shall continue to be valid until all the Said Shares have been dealt with by the Directors of the Company.”

ORDINARY RESOLUTION 2

- PROPOSED 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 (excluding Malaysian Pacific Industries Berhad and its subsidiaries) to enter into recurrent related party transactions of a revenue or trading nature with HLCM and persons connected with HLCM (“Hong Leong Group”) provided that:

- i) such transactions are undertaken in the ordinary course of business, at arm’s length basis, on commercial terms which are not more favourable to Hong Leong Group than those generally available to/from the public and are not, in the Company’s opinion, detrimental to the minority shareholders; and
- ii) that 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.”

ORDINARY RESOLUTION 3

- PROPOSED SHAREHOLDERS’ MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH MR CHUAH CHUAN THYE, YBHG TAN SRI QUEK LENG CHAN, MR KWEK LENG SAN AND MR QUEK LENG CHYE AND PERSONS CONNECTED WITH THEM

“**THAT** approval be and is hereby given for the Company and/or its subsidiaries (excluding Malaysian Pacific Industries Berhad and its subsidiaries) to enter into recurrent related party transactions of a revenue or trading nature with Mr Chuah Chuan Thye, YBhg Tan Sri Quek Leng Chan, Mr Kwek Leng San and Mr Quek Leng Chye and persons connected with them provided that:

- i) such transactions are undertaken in the ordinary course of business, at arm’s length basis, on commercial terms which are not more favourable to Mr Chuah Chuan Thye, YBhg Tan Sri Quek Leng Chan, Mr Kwek Leng San and Mr Quek Leng Chye and persons connected with them than those generally available to/from the public and are not, in the Company’s opinion, detrimental to the minority shareholders; and
- ii) that 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.”

ORDINARY RESOLUTION 4

- PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH MR NG CHOONG HAI AND PERSONS CONNECTED WITH HIM

“**THAT** approval be and is hereby given for the Company and/or its subsidiaries (excluding Malaysian Pacific Industries Berhad and its subsidiaries) to enter into recurrent related party transactions of a revenue or trading nature with Mr Ng Choong Hai and persons connected with him provided that:

- i) such transactions are undertaken in the ordinary course of business, at arm's length basis, on commercial terms which are not more favourable to Mr Ng Choong Hai and persons connected with him than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders; and
- ii) that 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 authority be and is hereby given to the Directors of the Company 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 or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution.”

ORDINARY RESOLUTION 5

- PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH YAMAHA MOTOR CO., LTD (“YMC”) AND PERSONS CONNECTED WITH YMC

“**THAT** approval be and is hereby given for the Company and/or its subsidiaries (excluding Malaysian Pacific Industries Berhad and its subsidiaries) to enter into recurrent related party transactions of a revenue or trading nature with YMC and persons connected with YMC (“YMC Group”) provided that:

- i) such transactions are undertaken in the ordinary course of business, at arm's length basis, on commercial terms which are not more favourable to YMC Group than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders; and
- ii) that 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 authority be and is hereby given to the Directors of the Company 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 or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution.”

ORDINARY RESOLUTION 6

- PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH YBHG TAN SRI DATO' ZAKI BIN TUN AZMI AND PERSONS CONNECTED WITH HIM

“**THAT** approval be and is hereby given for the Company and/or its subsidiaries (excluding Malaysian Pacific Industries Berhad and its subsidiaries) to enter into recurrent related party transactions of a revenue or trading nature with YBhg Tan Sri Dato' Zaki bin Tun Azmi and persons connected with him provided that:

- i) such transactions are undertaken in the ordinary course of business, at arm's length basis, on commercial terms which are not more favourable to YBhg Tan Sri Dato' Zaki bin Tun Azmi and persons connected with him than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders; and
- ii) that 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 authority be and is hereby given to the Directors of the Company 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 or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

ORDINARY RESOLUTION 7

- PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH TASEK CORPORATION BERHAD AND ITS SUBSIDIARIES AND ASSOCIATED COMPANIES

"**THAT** approval be and is hereby given for the Company and/or its subsidiaries (excluding Malaysian Pacific Industries Berhad and its subsidiaries) to enter into recurrent related party transactions of a revenue or trading nature with Tasek Corporation Berhad and its subsidiaries and associated companies ("Tasek Group") provided that:

- i) such transactions are undertaken in the ordinary course of business, at arm's length basis, on commercial terms which are not more favourable to Tasek Group than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders; and
- ii) that 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 authority be and is hereby given to the Directors of the Company 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 or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

ORDINARY RESOLUTION 8

- PROPOSED ACQUISITION BY HONG LEONG YAMAHA MOTOR SDN BHD OF 49% EQUITY INTEREST IN HL YAMAHA MOTOR RESEARCH CENTRE SDN BHD

"**THAT** approval be and is hereby given for Hong Leong Yamaha Motor Sdn Bhd, a 69.41% subsidiary of the Company, to acquire 588,000 ordinary shares of RM1.00 each from the Company, representing the Company's entire 49% equity interest in HL Yamaha Motor Research Centre Sdn Bhd ("HLYMRC") for cash consideration of RM588,000.00 ("Proposed Acquisition of HLYMRC") and to enter into an agreement ("Agreement") to be drawn up in connection therewith upon such terms and conditions as contained therein and such other terms and conditions as the parties thereto may mutually agree upon; AND THAT YBhg Dato' Ahmad Johari bin Tun Abdul Razak, a Director of the Company, be and is hereby authorised to negotiate and finalise the terms and conditions of the Proposed Acquisition of HLYMRC as he may deem fit and to sign, for and on behalf of the Company, the Agreement and all other relevant documents drawn or to be drawn up in connection therewith with full power to assent to any condition, modification, variation and/or amendment as he may deem fit or expedient in the interest of the Company."

ORDINARY RESOLUTION 9

- PROPOSED ACQUISITION BY HONG LEONG YAMAHA MOTOR SDN BHD OF THE BUSINESS TOGETHER WITH CERTAIN ASSETS AND LIABILITIES OF HONG LEONG YAMAHA DISTRIBUTORS SDN BHD

“**THAT** approval be and is hereby given for Hong Leong Yamaha Motor Sdn Bhd, a 69.41% subsidiary of the Company, to acquire the business of distributing and selling the “Yamaha” brand motorcycles and related activities including sales of spare parts and after-sales service, together with certain assets and liabilities in connection with the said business (“HLYD Business”) from Hong Leong Yamaha Distributors Sdn Bhd (“HLYD”), a 74% subsidiary of HLI, for cash consideration based on the value of the net assets of the HLYD Business acquired on the Effective Date (as defined in the Circular to Shareholders dated 25 September 2004) or such other date as may be mutually agreed upon between the parties (“Proposed Acquisition of HLYD Business”) and to enter into an agreement (“Asset Purchase Agreement”) to be drawn up in connection therewith upon such terms and conditions as contained therein and such other terms and conditions as the parties thereto may mutually agree upon; **AND THAT** YBhg Dato’ Ahmad Johari bin Tun Abdul Razak, a Director of the Company, be and is hereby authorised to negotiate and finalise the terms and conditions of the Proposed Acquisition of HLYD Business as he may deem fit and to sign, for and on behalf of the Company, the Asset Purchase Agreement and all other relevant documents drawn or to be drawn up in connection therewith with full power to assent to any condition, modification, variation and/or amendment as he may deem fit or expedient in the interest of the Company.”

By Order of the Board

JOANNE LEONG WEI YIN
Secretary

Kuala Lumpur
25 September 2004

Notes:

- 1. 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.*
- 2. 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 date of the meeting or adjourned meeting.*