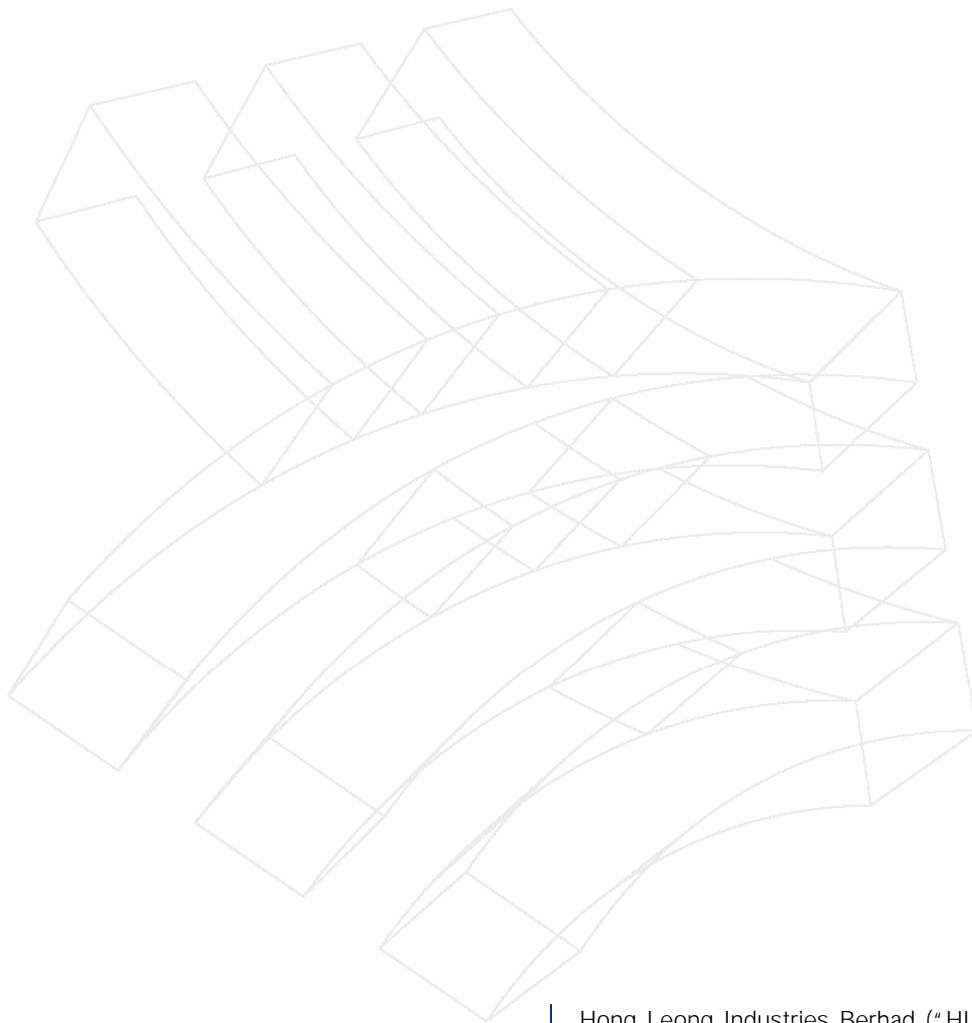


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# COMPANY PROFILE



Hong Leong Industries Berhad ("HLIB") is principally an investment holding company. Activities of HLIB's subsidiaries include manufacturing and distribution of ceramic tiles, leadframes, integrated circuits and semiconductor devices, assembly and distribution of motorcycles, motorcycle engines and components, manufacturing and distribution of duplex board boxes, flexible plastic packaging products and industrial plastic moulded products.

Associated companies are involved in shipbuilding and repair, production of motorcycles, motorcycle engines and spare parts and holdings of strategic investments.

HLIB is a public listed company and its shares are traded on the Main Board of the Kuala Lumpur Stock Exchange.

## ***Directors***

YBhg Tan Sri Quek Leng Chan

(Executive Chairman)

Mr Kwek Leng San

(President & Chief Executive Officer)

Mr Ron Lim Kim Chai

(Group Managing Director - Automotive Group)

YAM Tunku Dara Tunku Tan Sri Naquiah bt Tuanku Ja'afar

Encik Ahmad Johari bin Tun Abdul Razak

Dr Agoes Salim

Mr Chuah Chuan Thye

Mr David Edward Comley

## ***Secretaries***

Ms Christine Lee Oi Kuan

Ms Joanne Leong Wei Yin

## ***Auditors***

Ling Kam Hoong & Co

Public Accountants

No. 6-1 Jalan 3/64A

Udarama Complex

Off Jalan Ipoh, 50350 Kuala Lumpur

Tel: 03-40423288

## ***Registrar***

Hong Leong Nominees Sendirian Berhad

Level 5, Wisma Hong Leong

18 Jalan Perak, 50450 Kuala Lumpur

Tel: 03-21641818

## ***Registered Office***

Level 9, Wisma Hong Leong

18 Jalan Perak, 50450 Kuala Lumpur

Tel: 03-21642631

## *Composition of Members*

Encik Ahmad Johari bin Tun Abdul Razak  
(Chairman, Independent Non-Executive Director)

YAM Tunku Dara Tunku Tan Sri Naquiah bt Tuanku Ja'afar  
(Independent Non-Executive Director)

Mr Kwek Leng San  
(Executive Director)

## *Terms of Reference*

- To review, with the external auditors, the audit plan.
- To review, with the external auditors, the evaluation of the system of internal accounting controls and audit findings.
- To review, with the external auditors, the audit report.
- To review the assistance given by the Company's officers to the external auditors.
- To review the scope and results of the internal audit procedures.
- To review the financial statements of the Company and the consolidated financial statements submitted to the Audit Committee by the Company and thereafter to submit them to the Directors of the Company.
- To review any related party transactions that may arise within the Company or the Group.
- To nominate and recommend for the Board of Directors' approval, a person or persons as auditor(s).
- Other functions as may be agreed to by the Audit Committee and the Board of Directors.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-seventh 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, 19 October 2000 at 11.15 a.m. in order:

1. to receive and consider the financial statements for the year ended 30 June 2000 and the Directors' and Auditors' Reports thereon;
2. to declare a final dividend of 10% tax exempt and 25% less tax for the year ended 30 June 2000 to be paid on 15 November 2000 to shareholders registered in the Record of Depositors on 1 November 2000;
3. to approve the payment of Directors' fees of RM305,656/- to be divided amongst the Directors in such manner as the Directors may determine;
4. to re-elect Directors retiring in accordance with the Company's Articles of Association;
5. to re-appoint Messrs Ling Kam Hoong & Co as Auditors of the Company and authorise the Directors to fix their remuneration;
6. as special businesses, to consider and, if thought fit, pass with or without any modification, the following ordinary motions:

## (A) 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 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 in any one financial year 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 the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."; and

## (B) Authority To Directors On Purchase Of The Company's Own Shares

"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 requirements of the Kuala Lumpur Stock Exchange ("KLSE") and any other relevant authority, the Directors of the Company be and are hereby

# NOTICE OF ANNUAL GENERAL MEETING

authorised to make purchases of ordinary shares of RM0.50 each in the Company's issued and paid-up share capital through the KLSE 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 ("Shares") for the time being of the Company;
- (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 2000, the audited retained profits and share premium of the Company were RM373.6 million and RM289.4 million respectively;
- (c) the authority conferred by this resolution 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 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) but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the KLSE or any other relevant authority; and
- (d) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Shares in the following manner:
  - (i) cancel the Shares so purchased; or
  - (ii) retain the Shares so purchased in treasury; or
  - (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder,  
the treasury shares of which may be distributed as dividends to shareholders, and/or resold on the KLSE, and/or subsequently cancelled,  
and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the KLSE and any other relevant authority for the time being in force;

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

7. to consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:

- (a) shares transferred into the depositor's securities account before 12.30 p.m. on 1 November 2000 in respect of ordinary transfers; and
- (b) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

CHRISTINE LEE OI KUAN  
JOANNE LEONG WEI YIN  
Secretaries

Kuala Lumpur  
4 October 2000

**NOTES:**

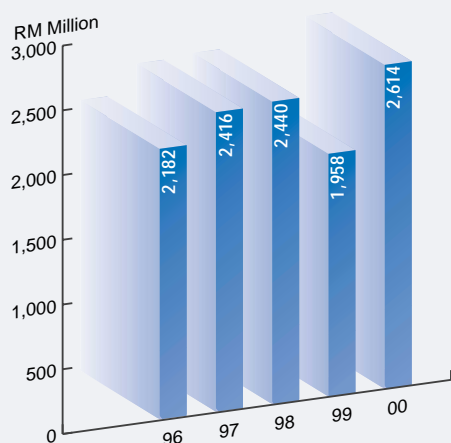
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy but not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any other person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. 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 the meeting or adjourned meeting.
2. **Resolution On Authority To Directors To Issue Shares**  
In line with the Company's plan for expansion/diversification, the Company is actively looking into prospective areas so as to broaden the operating base and earning potential of the Company. As the expansion/diversification may involve the issue of new shares, the Directors, under present circumstances, would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital. In order to avoid any delay and cost involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
3. **Resolution On Authority To Directors On Purchase Of The Company's Own Shares**  
The Directors be empowered to exercise the power of the Company to purchase its own shares ("Proposed Share Buy Back") by utilising its financial resources not immediately required. The Proposed Share Buy Back may have a positive impact on the market price of the Company's shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.  
Further information on the Proposed Share Buy Back are set out in the Circular to shareholders of the Company which is despatched together with the Company's 2000 Annual Report.

# GROUP FINANCIAL HIGHLIGHTS

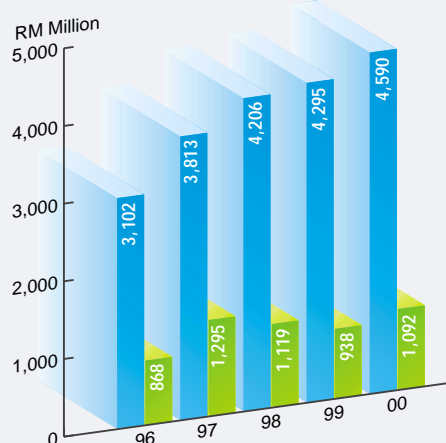
<i>For the year ended 30 June</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>
Turnover (RM Million)	2,614	1,958	2,440	2,416	2,182
Profit / (Loss) Before Tax (RM Million)	513	(75)	(123)	265	208
Profit / (Loss) After Tax (RM Million)	473	(63)	(136)	241	198

## *As at 30 June*

Total Assets (RM Million)	4,590	4,295	4,206	3,813	3,102
Shareholders' Funds (RM Million)	1,092	938	1,119	1,295	868
Capital Expenditure (RM Million)	454	228	323	277	478
Gross Earnings / (Loss) Per Share (sen)	98	(68)	(79)	79	62
Net Earnings / (Loss) Per Share (sen)	87	(63)	(73)	67	57
Net Dividend Per Share (sen)	19	7	8	10	7
Net Assets Value Per Share (RM)	4.85	4.18	4.98	5.77	4.42



■ Turnover



■ Total Assets  
■ Shareholders' Funds



