

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other adviser immediately.

Bursa Malaysia Securities Berhad has not perused Part B of this Circular prior to issuance as the said Part B is categorised under Exempt Circulars prescribed by Bursa Malaysia Securities Berhad. Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



Malaysian Pacific Industries Berhad (4817-U)

A Member of the Hong Leong Group

CIRCULAR TO SHAREHOLDERS

in relation to

PART A

PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

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

The Notice of Extraordinary General Meeting to be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 14 October 2010 immediately upon the conclusion of the forthcoming Annual General Meeting of the Company to be held at 10.00 a.m. on the same day, is sent to you together with this Circular. A Form of Proxy must be lodged 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 of the meeting or adjourned meeting.

This Circular is dated 22 September 2010

CONTENTS

PART A - PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

LETTER TO SHAREHOLDERS RELATING TO THE PROPOSED SHAREHOLDERS' MANDATE

	PAGE
1. INTRODUCTION	3
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	
2.1 Provisions under the Main Market Listing Requirements	3
2.2 Classes of related parties	4
2.3 Nature of recurrent related party transactions contemplated	5
2.4 Methods or procedures on which transaction prices are determined/review procedures for recurrent related party transactions	9
2.5 Validity period of the Proposed Shareholders' Mandate	10
2.6 Disclosure	10
3. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE	10
4. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE	11
5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	11
6. DIRECTORS' RECOMMENDATION	12
7. EGM	12
8. FURTHER INFORMATION	12

CONTENTS (Cont'd)

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

LETTER TO SHAREHOLDERS RELATING TO THE PROPOSED SHARE BUYBACK

	PAGE
1. INTRODUCTION	14
2. DETAILS OF THE PROPOSED SHARE BUYBACK	14
3. RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUYBACK.....	16
4. EFFECTS OF THE PROPOSED SHARE BUYBACK	
4.1 Share Capital	16
4.2 Earnings	17
4.3 NA and Working Capital.....	17
5. DIRECTORS' SHAREHOLDINGS	17
6. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS	18
7. PUBLIC SHAREHOLDING SPREAD	18
8. PURCHASES OF SHARES OR RESALE OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS	19
9. IMPLICATION OF THE CODE.....	19
10. SHARE PRICES	19
11. CONDITION OF THE PROPOSED SHARE BUYBACK	20
12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	20
13. DIRECTORS' RECOMMENDATION	20
14. EGM	20
15. FURTHER INFORMATION	20

APPENDICES

APPENDIX I - DEFINITIONS PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS	21
APPENDIX II - PERSONS CONNECTED WITH HLCM AS AT 6 SEPTEMBER 2010	23
APPENDIX III - ACTIVITIES OF THE MPI GROUP AS AT 6 SEPTEMBER 2010	26
APPENDIX IV - FURTHER INFORMATION	27

NOTICE OF EGM	28
----------------------------	----

PROXY FORM	Enclosed
-------------------------	-----------------

PART A

**PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout Part A of this Circular:-

“Act”	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board” or “Directors”	:	Board of Directors of MPI
“Bursa Securities ”	:	Bursa Malaysia Securities Berhad
“Corporate Office Support Services”	:	Planning and support services provided by HLI-HUME MC such as corporate finance and advisory, legal, secretarial, accounting, treasury, tax compliance, internal audit, human resources management, payroll administration, credit control, information technology related services, productivity and quality improvement services, training services and any other services as may be agreed between the parties from time to time
“EGM”	:	Extraordinary General Meeting
“ESOS”	:	Executive Share Option Scheme of MPI
“Group Management And/Or Support Services”	:	Includes corporate advisory, secretarial and legal services, treasury and risk management services, internal audit, accounting and tax services, share registration, nominees, custodian and ESOS administration services, fund management, human resources management, payroll administration, credit control, training services, investment services, productivity and quality improvement services, planning and compliance services and any other services as may be agreed between the parties from time to time
“HIMB”	:	Hume Industries (Malaysia) Berhad, an indirect wholly-owned subsidiary of HLCM
“HIMB Group”	:	HIMB and its unlisted subsidiaries (i.e. excluding the Narra Group)
“HLA”	:	Hong Leong Assurance Berhad, a wholly-owned subsidiary of HLFG
“HLCM”	:	Hong Leong Company (Malaysia) Berhad
“HLFG”	:	Hong Leong Financial Group Berhad, a 77.31% subsidiary of HLCM
“HLI”	:	Hong Leong Industries Berhad, a 71% subsidiary of HLCM
“HLI Group”	:	HLI and its unlisted subsidiaries (i.e. excluding the MPI Group)

DEFINITIONS (Cont'd)

“HLI-HUME MC”	:	HLI-HUME Management Co Sdn Bhd, a company owned by HLI and HIMB in the equity ratio of 51% and 49% respectively
“Hong Leong Group”	:	HLCM (a major shareholder of MPI through HLI) and persons connected with HLCM
“LPD”	:	6 September 2010, being the latest practicable date prior to the printing of this Circular
“Main Market Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“MPI” or “Company”	:	Malaysian Pacific Industries Berhad, a 61.36% subsidiary of HLI
“MPI Group”	:	MPI and its subsidiaries
“Narra”	:	Narra Industries Berhad, a 61.59% subsidiary of HIMB
“Narra Group”	:	Narra and its subsidiaries
“Proposed Shareholders’ Mandate”	:	Shareholders’ approval for a general mandate in relation to recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the MPI Group
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Services”	:	Includes investment and fund management services, sales and marketing services, security guard services, technical and management services, research and development services, project and property management services, information technology related services and any other services as may be agreed between the parties from time to time but excludes such services which are not regarded as related party transactions or exempted transactions pursuant to Paragraph 10.08(11) of the Main Market Listing Requirements



Malaysian Pacific Industries Berhad (4817-U)

A Member of the Hong Leong Group

Registered Office:
Level 9, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

22 September 2010

DIRECTORS:

YBhg Datuk Kwek Leng San (Executive Chairman/Non-Independent)
Mr Peter Nigel Yates (Group Managing Director/Non-Independent)
Tuan Syed Zaid bin Syed Jaffar Albar (Non-Executive Director/Independent)
Mr Tan Keok Yin (Non-Executive Director/Independent)
YBhg Tan Sri Asmat bin Kamaludin (Non-Executive Director/Independent)

To: The Shareholders of Malaysian Pacific Industries Berhad

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's EGM held on 20 October 2009, the Company had obtained a mandate from its shareholders for the MPI Group to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the MPI Group, with certain classes of related parties as disclosed therein. The said mandate shall, in accordance with the Main Market Listing Requirements, expire at the conclusion of the forthcoming AGM of the Company scheduled to be held on Thursday, 14 October 2010 at 10.00 a.m. ("said AGM"), unless it is renewed at the said AGM.

In connection thereto, on 20 September 2010, the Company announced that your Directors propose to seek shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming EGM of the Company to be held on Thursday, 14 October 2010 immediately upon the conclusion of the said AGM ("said EGM").

The purpose of Part A of this Circular is to provide you with the details of the Proposed Shareholders' Mandate and to seek your approval for the proposed ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the said EGM, notice of which is set out in this Circular.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Main Market Listing Requirements

Paragraph 10.09(2) of the Main Market Listing Requirements provides that a listed issuer may seek a mandate from its shareholders for related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of a listed issuer or its subsidiaries ("RRPT") subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Main Market Listing Requirements;
- (iii) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholder mandate pursuant to the above, the provisions of paragraph 10.08 of the Main Market Listing Requirements will not apply with regard to transactions as detailed in Section 2.3 of Part A of this Circular.

Accordingly, the Company proposes to seek the Proposed Shareholders' Mandate from its shareholders for the MPI Group to enter into transactions with related parties which are of a revenue or trading nature and necessary for the day-to-day operations of the MPI Group and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders.

The Proposed Shareholders' Mandate, if approved at the said EGM, will take immediate effect and will continue to be in force until the conclusion of the year 2011 AGM of the Company or until the expiration of the period within which the year 2011 AGM is required by law to be held (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act), unless revoked or varied by the Company in a general meeting, whichever is the earlier.

2.2 Classes of related parties

Shareholders' approval is sought for the Proposed Shareholders' Mandate involving recurrent related party transactions which are carried out by companies within the MPI Group with HLCM (a major shareholder of MPI through HLI) and persons connected with HLCM as listed in Appendix II of this Circular. Other than as disclosed in Section 5 of Part A of this Circular, the other companies in the Hong Leong Group as listed in Appendix II of this Circular do not hold any shares in MPI.

The details of shareholdings of HLCM and HLI in MPI are set out in Section 5 of Part A of this Circular.

2.3 Nature of recurrent related party transactions contemplated

MPI is principally an investment holding company whilst the principal activities engaged by its subsidiaries are that of manufacturing, assembling, testing and sale of integrated circuits, semiconductor devices, electronic components and leadframes to customers worldwide. Details of subsidiaries of MPI undertaking the above activities are set out in Appendix III of this Circular.

The Hong Leong Group is involved in a diverse range of industries including, inter-alia, manufacturing, procuring and assembling of motorcycles, scooters, motorcycle engines and related parts and products, distribution of motorcycles and motorcycle components, provision of maintenance and repair services for motorcycles, manufacturing and sale of ceramic tiles, provision of research and development services for motorcycles and ceramic tiles, manufacturing and sale of newsprint and related paper products, manufacturing and sale of concrete products, fibre cement products and concrete roofing tiles, design, manufacture and supply of furniture and interior design fit-out works, manufacturing and trading of billets, steel bars and wire rods, manufacture and sale of steel products, steel wire products, steel pipes, wire mesh, wire ropes, galvanized wires and strands and pre-stressed concrete strands and wires, banking and finance including Islamic Banking business and information technology related services, insurance, takaful business, rental of properties, securities broking, fund management, unit trust fund services, futures broking, share registration, provision of nominees and custodian services, investment banking and corporate advisory services, marketing, property investment and development, project and property management and hotel operations, provision of management, training and security guard services. In view of the diversity of the Hong Leong Group's business, it is envisaged that in the normal course of business of the MPI Group, transactions in respect of goods and/or services by companies in the MPI Group with the Hong Leong Group will occur with some degree of frequency from time to time and may arise at any time.

The Group Management And/Or Support Services are part of the shared services of companies within the Hong Leong Group. These shared services are provided in-house in order to align with the Hong Leong Group's corporate objective and management disciplines and to reduce operating cost and improve efficiency such as through economies of scale, better utilisation and allocation of resources, standardisation of processes and operating procedures and information technology. Accordingly, the Board considers it beneficial to enter into transactions in respect of the Group Management And/Or Support Services. The Group Management And/Or Support Services are carried out on commercial terms and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and which will not be detrimental to the minority shareholders of MPI.

The Corporate Office Support Services represent the services provided by HLI-HUME MC in the planning, management and support of companies within the HLI Group, MPI Group, HIMB Group and Narra Group. These shared services are provided in order to reduce operating cost and improve efficiency.

Details of recurrent related party transactions carried out/contemplated shall include, but not limited to, those described below:-

(A) Recurrent related party transactions with the Hong Leong Group are as follows:-

Transaction	Vendor/ Provider	Purchaser/ Recipient	Interested related parties	Estimated aggregate value as disclosed in the Circular to Shareholders dated 28 September 2009 ("Estimated Value") (RM' million)	Actual value transacted (from date of EGM on 20 October 2009 up to the LPD) ("Actual Value") (RM' million)	*Estimated aggregate value during the validity period of the Proposed Shareholders' Mandate ("Current Estimated Value") (RM' million)
a) Rental of shared office space at Level 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur measuring in area of approximately 909 square feet from HLI-HUME MC	HLI-HUME MC**	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye, Kwek Leng Kee, HLI and HLCM	0.20	0.05	0.20
b) Receipt of Services	Hong Leong Group	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye, Kwek Leng Kee, HLI and HLCM	2.20	0.13#	0.50
c) Receipt of Corporate Office Support Services	HLI-HUME MC	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye, Kwek Leng Kee, HLI and HLCM	3.00	1.00	3.00

(A) Recurrent related party transactions with the Hong Leong Group are as follows:- (cont'd)

Transaction	Vendor/ Provider	Purchaser/ Recipient	Interested related parties	Estimated aggregate value as disclosed in Circular to Shareholders dated 28 September 2009 ("Estimated Value") (RM' million)	Actual value transacted (from date of EGM on 20 October 2009 up to the LPD) ("Actual Value") (RM' million)	*Estimated aggregate value during the validity period of the Proposed Shareholders' Mandate ("Current Estimated Value") (RM' million)
d) Purchase of goods such as motorcycles and parts, building materials, furniture and other products	Hong Leong Group	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye, Kwek Leng Kee, HLI and HLCM	5.00	Nil	5.00
e) Receipt of Group Management And/Or Support Services	Hong Leong Group	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye, Kwek Leng Kee, HLI and HLCM	20.00	1.89	20.00
f) Payment for usage of the Hong Leong Group's logos and trade marks	Hong Leong Group	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye, Kwek Leng Kee, HLI and HLCM	0.20	0.01	0.20

(B) Recurrent related party transactions with Hong Leong Investment Holdings Pte. Ltd. (“HLIH”) and persons connected with HLIH (“HLIH Group”) are as follows:-

Transaction	Vendor/ Provider	Purchaser/ Recipient	Interested related parties	Estimated aggregate value as disclosed in the Circular to Shareholders dated 28 September 2009 (“Estimated Value”) (RM ³ million)	Actual value transacted (from date of EGM on 20 October 2009 up to the LPD) (“Actual Value”) (RM ³ million)	*Estimated aggregate value during the validity period of the Proposed Shareholders’ Mandate (“Current Estimated Value”) (RM ³ million)
Receipt of hotel-related services##	HLIH Group	MPI Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Quek Leng Chye and Kwek Leng Kee	0.50	0.01	Not Applicable

Notes:

* The Current Estimated Value of the transactions are based on the Actual Value transacted and/or management’s estimate of the value to be transacted during the validity period of the Proposed Shareholders’ Mandate. The Current Estimated Value of these transactions may be subject to changes.

** HLI-HUME MC has a tenancy agreement with HLA for the rental of the said office space for a tenure of up to 3 years with an option to renew. The rental payment is shared between HLI-HUME MC, MPI and Narra.

The actual value transacted is inclusive of services that are not regarded as related party transactions or exempted transactions pursuant to Paragraph 10.08(11) of the Main Market Listing Requirements.

No new recurrent related party transaction mandate is sought as such services are exempted transactions pursuant to Paragraph 10.08(11) of the Main Market Listing Requirements.

None of the Actual Value of the recurrent related party transactions as disclosed above has exceeded the Estimated Value by 10% or more.

2.4 Methods or procedures on which transaction prices are determined/review procedures for recurrent related party transactions

To ensure that the recurrent related party transactions, which are in the ordinary course of business, are conducted on commercial terms consistent with the MPI Group's usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders, the following principles will apply:-

- i) the purchase of goods and other products and the receipt of Services shall be determined based on prevailing rates/prices of the same (including where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases) according to commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations;
- ii) the leasing/rental of properties shall be at the prevailing market rates for the same or substantially similar properties and shall be on commercial terms;
- iii) the receipt of Corporate Office Support Services is based on commercial terms;
- iv) the receipt of Group Management And/Or Support Services is based on commercial terms; and
- v) the payment for usage of the Hong Leong Group's logos and trade marks is based on commercial terms.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Board Audit & Risk Management Committee in its review of the recurrent related party transactions may, as it deems fit and whenever available, request for additional information pertaining to the transactions from independent sources or advisers.

To monitor, track and identify the recurrent related party transactions, the following review procedures have been implemented:-

- i) A register is maintained to record all recurrent related party transactions which are entered into pursuant to the Proposed Shareholders' Mandate.
- ii) The Board Audit & Risk Management Committee will undertake quarterly review of recurrent related party transactions to ensure that such transactions are undertaken on commercial terms and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders and are in the best interest of the MPI Group.

There are no specific thresholds for approval of recurrent related party transactions within the MPI Group. However, all recurrent related party transactions are subject to the approval of the Heads of the relevant operating companies or such persons to whom they may delegate such power subject always to any MPI Group's policies that may be issued from time to time.

The Board Audit & Risk Management Committee will review the existing procedures and processes, on an annual basis and as and when required, to ensure that the recurrent related party transactions are at all times carried out on commercial terms consistent with the MPI Group's usual business practices and policies.

The Board Audit & Risk Management Committee of the Company has reviewed the above procedures and is satisfied that the said procedures are adequate to monitor, track and identify recurrent related party transactions in a timely and orderly manner and are sufficient to ensure that the recurrent related party transactions will be carried out on commercial terms consistent with the MPI Group's usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders. Any member of the Board Audit & Risk Management Committee who is interested in any transaction shall abstain from reviewing and deliberating on such transaction.

2.5 Validity period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the said EGM, shall take immediate effect and shall continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the said EGM at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii) 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 Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

The Proposed Shareholders' Mandate is subject to the satisfactory review by the Board Audit & Risk Management Committee of the Company of its continued application to recurrent related party transactions.

2.6 Disclosure

Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value of the recurrent related party transactions made during the financial year, types of transactions made, names of the related parties involved and their relationship with the MPI Group pursuant to the Proposed Shareholders' Mandate in accordance with paragraph 10.09(2) and Practice Note No. 12 of the Main Market Listing Requirements.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The rationale for and the benefits of the Proposed Shareholders' Mandate to the MPI Group are as follows:-

- i) The Proposed Shareholders' Mandate will facilitate transactions with related parties which are in the ordinary course of business of the MPI Group and undertaken on commercial terms and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders.

- ii) The Proposed Shareholders' Mandate will enhance the MPI Group's ability to pursue business opportunities which are time-sensitive in nature and will eliminate the need for the Company to convene separate general meetings to seek shareholders' approval for each transaction.
- iii) For certain transactions, where it is vital that confidentiality be maintained, it would not be viable to obtain shareholders' prior approval, as releasing details of the transactions prematurely may adversely affect and prejudice the MPI Group's interests and place the MPI Group at a disadvantage as compared with its competitors who may not require shareholders' approval to be obtained.
- iv) The Proposed Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources to be channeled towards attaining other corporate objectives.
- v) In respect of the Corporate Office Support Services and Group Management And/Or Support Services, the Proposed Shareholders' Mandate will enable the MPI Group to reduce operating cost and to improve efficiency, thereby improving business and administrative efficacy for the MPI Group.

4. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of MPI at the said EGM.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

HLCM is a major shareholder of MPI through HLI. YBhg Tan Sri Quek Leng Chan, a major shareholder of MPI, is a Director and a major shareholder of HLCM. YBhg Datuk Kwek Leng San is a Director and a shareholder of MPI and HLCM. Mr Quek Leng Chye is a shareholder of MPI and a major shareholder of MPI and HLCM. YBhg Tan Sri Quek Leng Chan, YBhg Datuk Kwek Leng San and Mr Quek Leng Chye are brothers.

The shareholdings of HLCM, HLI, YBhg Tan Sri Quek Leng Chan, YBhg Datuk Kwek Leng San and Mr Quek Leng Chye in MPI as at 6 September 2010 are as follows:-

	No. of Shares held in MPI			
	Direct	%	Indirect	%
HLCM	-	-	133,547,509	67.14*
HLI	114,998,647	57.82	7,039,700	3.54*
Tan Sri Quek Leng Chan	-	-	133,601,009	67.17#
Datuk Kwek Leng San	315,000	0.16	-	-
Quek Leng Chye	150,000	0.08	133,547,509	67.14@

Notes:

* Held through subsidiary(ies)

Held through HLCM and a company in which Tan Sri Quek Leng Chan has interest

@ Held through HLCM

YBhg Datuk Kwek Leng San had abstained and will continue to abstain from deliberation and voting on the proposed ordinary resolution in which he has interest in pertaining to the Proposed Shareholders' Mandate at the MPI Board level.

HLCM, HLI, YBhg Tan Sri Quek Leng Chan, YBhg Datuk Kwek Leng San and Mr Quek Leng Chye will abstain and will ensure that persons connected with them will also abstain from voting, in respect of their direct and/or indirect interests, on the proposed ordinary resolution pertaining to the Proposed Shareholders' Mandate at the said EGM.

Save as disclosed above, none of the other Directors and major shareholders of MPI and persons connected with them, has any interest, direct or indirect, in the resolution pertaining to the Proposed Shareholders' Mandate.

6. DIRECTORS' RECOMMENDATION

Your Directors (except for YBhg Datuk Kwek Leng San who had abstained from expressing any opinion in relation to the proposed ordinary resolution in view of his interest), having taken into consideration all aspects of the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the MPI Group and accordingly, your Directors (except for YBhg Datuk Kwek Leng San) recommend that you vote in favour of the proposed ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the said EGM.

7. EGM

An EGM, notice of which is enclosed herein, will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 14 October 2010 immediately upon the conclusion of the forthcoming AGM of the Company to be held at 10.00 a.m. on the same day, to seek your approval for the Proposed Shareholders' Mandate.

If you are unable to attend the said EGM in person, please complete the enclosed Form of Proxy and forward it to the Registered Office of MPI at Level 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur, so as to arrive not less than forty-eight (48) hours before the time of the said EGM or at any adjournment thereof.

The completion and return of the Form of Proxy will not preclude you from attending and voting at the said EGM in person should you wish to do so. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

8. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix IV of this Circular for further information.

Yours faithfully
For and on behalf of the Board

SYED ZAID BIN SYED JAFFAR ALBAR
Director

PART B

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

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout Part B of this Circular:-

“Act”	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Code”	:	Malaysian Code on Take-Overs and Mergers 1998, including any amendment that may be made from time to time
“Board” or “Directors”	:	Board of Directors of MPI
“EGM”	:	Extraordinary General Meeting
“Main Market Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“MPI” or “the Company”	:	Malaysian Pacific Industries Berhad
“MPI Group”	:	MPI and its subsidiaries
“NA”	:	Net assets
“Proposed Share Buyback”	:	Proposal to enable MPI to purchase and/or hold up to ten per centum (10%) of its own Shares
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Shares”	:	Issued and paid-up ordinary shares of RM0.50 each in MPI



Registered Office:
Level 9, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

22 September 2010

DIRECTORS:

YBhg Datuk Kwek Leng San (Executive Chairman/Non-Independent)
Mr Peter Nigel Yates (Group Managing Director/Non-Independent)
Tuan Syed Zaid bin Syed Jaffar Albar (Non-Executive Director/Independent)
Mr Tan Keok Yin (Non-Executive Director/Independent)
YBhg Tan Sri Asmat bin Kamaludin (Non-Executive Director/Independent)

To: The Shareholders of Malaysian Pacific Industries Berhad

Dear Sir/Madam

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

1. INTRODUCTION

At the Company's EGM held on 20 October 2009, your Directors had obtained shareholders' authorisation for the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up ordinary share capital of MPI for the time being ("Authorisation").

In accordance with Chapter 12 of the Main Market Listing Requirements, the Authorisation will lapse at the conclusion of the forthcoming AGM of the Company scheduled to be held on Thursday, 14 October 2010 at 10.00 a.m. ("said AGM"), unless the Authorisation is renewed.

In connection thereto, on 20 September 2010, the Company announced that your Directors propose to seek shareholders' approval for renewal of the authority to undertake the Proposed Share Buyback at the forthcoming EGM of the Company to be held on Thursday, 14 October 2010 immediately upon the conclusion of the said AGM ("said EGM").

The purpose of Part B of this Circular is to provide you with the details of the Proposed Share Buyback and to seek your approval for the proposed ordinary resolution pertaining to the Proposed Share Buyback to be tabled at the said EGM, notice of which is set out in this Circular.

2. DETAILS OF THE PROPOSED SHARE BUYBACK

Your Directors propose to seek the renewal of authority from the shareholders of MPI for the Company to purchase and/or hold its Shares up to ten per centum (10%) of the issued and paid-up ordinary share capital of MPI for the time being. As at 6 September 2010, the Company had purchased 10,986,000 Shares which are held as treasury shares. The current issued and paid-up ordinary share capital of the Company, before adjusting for the treasury shares held, is RM104,942,209.50 divided into 209,884,419 Shares. The maximum number of Shares which may be purchased and/or held as treasury shares by the Company is 10,002,441 Shares (excluding the 10,986,000 treasury shares held).

The funding of the Proposed Share Buyback will be from internally generated funds and/or borrowings, the proportion of which will depend on the quantum of Shares purchased, the purchase consideration as well as the availability of funds of the MPI Group at the time of purchase(s). In the event that the Proposed Share Buyback is funded by bank borrowings, the amount of bank borrowings will depend on the amount of Shares purchased by the Company and its repayment capabilities. Your Directors will ensure that the Company is able to meet the repayment of such borrowings, if any. The Company's net cashflow may decline to the extent of the interest costs associated with such borrowings. The maximum fund to be allocated by the Company for the Proposed Share Buyback will be made wholly out of retained profits and/or share premium account. As of 30 June 2010, the audited retained profits and share premium of the Company were RM229.55 million and RM249.95 million respectively.

The Proposed Share Buyback will be effective immediately upon the passing of the proposed ordinary resolution relating to the Proposed Share Buyback up to the conclusion of the next AGM of MPI, 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 the date on which the authority conferred by the resolution is required by law to be held, whichever occurs first.

In accordance with the Main Market Listing Requirements, MPI may only purchase the Shares on Bursa Securities at a price which is not more than fifteen per cent (15%) above the weighted average market price for the Shares for the five (5) market days immediately before the date of purchase(s) and the Company may only resell treasury shares on Bursa Securities at:-

- i) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the resale; or
- ii) a discounted price of not more than 5% to the weighted average market price for the Shares for the five (5) market days immediately before the resale provided that the resale takes place not earlier than thirty (30) days from the date of purchase and the resale price is not less than the cost of purchase of the Shares being resold.

The Proposed Share Buyback will allow your Directors to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period. The actual number of Shares to be purchased, the total amount of funds involved for each purchase, and the timing of the purchase will depend on the prevailing market conditions and sentiments of the stock market as well as the financial resources available to the Company.

The Directors will deal with the Shares so purchased in the following manner:-

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

Upon each purchase of Shares, an immediate announcement will be made to Bursa Securities in respect of the intention of the Directors whether to cancel the Shares so purchased, retain them as treasury shares or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale or cancellation of Shares.

In considering how the Shares so purchased will be dealt with, the Directors will take into consideration, inter alia, factors such as the prevailing market price of the Shares, the intrinsic value of the Shares and effects on the earnings and NA of the MPI Group.

Your Directors will ensure that the Proposed Share Buyback and/or the resale of treasury shares will be conducted in accordance with laws prevailing at the time of the purchase and/or resale and will not engage in speculative trading activities.

3. RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUYBACK

The Proposed Share Buyback will enable MPI to utilise its financial resources to purchase its own Shares which may enhance the return on equity through the resultant reduction of share capital base.

The Shares to be purchased by the Company pursuant to the Proposed Share Buyback may be retained as treasury shares which can be resold in the market subsequently. In this respect, the Proposed Share Buyback may provide an opportunity for the Company to purchase its own Shares when the market prices of the Shares are below the intrinsic value in order to realise potential capital gains in the event that the market prices of the Shares appreciate in future. Therefore, the Proposed Share Buyback may enhance the value of shareholder wealth. In the event that the treasury shares are distributed as dividends by MPI, the distribution may then serve as a reward to the shareholders of the Company.

The Proposed Share Buyback will, however, reduce the financial resources of MPI and may result in MPI foregoing any investment opportunities which may emerge in the future or any interest income that may be derived from depositing such funds with interest bearing instruments.

The Board will consider the interest of the Company and its shareholders when undertaking the purchase of the Company's own Shares.

4. EFFECTS OF THE PROPOSED SHARE BUYBACK

The effects of the Proposed Share Buyback on the share capital, earnings, NA and working capital of MPI are as set out below:-

4.1 Share Capital

On the assumption that the Proposed Share Buyback is carried out in full and the Shares so purchased, including the 10,986,000 treasury shares held, are fully cancelled, the Proposed Share Buyback will result in the issued and paid-up ordinary share capital of MPI as at 6 September 2010 to be reduced by 20,988,441 Shares from RM104,942,209.50 comprising 209,884,419 Shares to RM94,447,989.00 comprising 188,895,978 Shares as follows:-

	No of Shares	RM
Existing issued and paid-up ordinary share capital as at 6 September 2010 (before adjusting for treasury shares)	209,884,419	104,942,209.50
No. of Shares reduced (Assuming the Shares so purchased, including the treasury shares held, are fully cancelled)	20,988,441	10,494,220.50
Upon completion of the Proposed Share Buyback	188,895,978	94,447,989
No. of Shares held in treasury as at 6 September 2010	10,986,000	5,493,000

Pursuant to the Act, if the shares so purchased are treated as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the company for any purposes including, without limiting the generality of this provision, the provisions of any laws or requirements of the articles of association of the company or the listing rules of a stock exchange on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

4.2 Earnings

The effect of the Proposed Share Buyback on the earnings of the MPI Group depends on the actual number of Shares purchased and the purchase price(s).

4.3 NA and Working Capital

The Proposed Share Buyback may increase or decrease the NA per Share depending on the purchase price(s) of the Shares to be purchased. The NA per Share of the MPI Group is likely to increase if the purchase price is less than the NA per Share of the MPI Group and decrease if the purchase price exceeds the NA per Share of the MPI Group at the time when the Shares are purchased.

The Proposed Share Buyback will reduce the working capital of the MPI Group, the quantum of which will depend on the purchase price(s) and the number of Shares that will be purchased pursuant to the Proposed Share Buyback.

5. DIRECTORS' SHAREHOLDINGS

The shareholdings of the Directors according to the Register of Directors' Shareholdings as at 6 September 2010, before and after the Proposed Share Buyback, are as follows:-

	← Before Proposed Share Buyback →				← After Proposed Share Buyback @ →			
	No. of Shares/*Shares to be acquired arising from the exercise of options				No. of Shares/*Shares to be acquired arising from the exercise of options			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Datuk Kwek Leng San	315,000	0.16	-	-	315,000	0.17	-	-
Peter Nigel Yates	250,000*	0.12	-	-	250,000*	0.13	-	-
Syed Zaid bin Syed Jaffar Albar	-	-	-	-	-	-	-	-
Tan Keok Yin	-	-	-	-	-	-	-	-
Tan Sri Asmat bin Kamaludin	-	-	-	-	-	-	-	-

Note:

@ Assuming the Proposed Share Buyback is implemented in full and all the Shares so purchased are either kept as treasury shares or fully cancelled

6. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The substantial shareholders and their respective shareholdings according to the Register of Substantial Shareholders as at 6 September 2010, before and after the Proposed Share Buyback, are as follows:-

	← Before Proposed Share Buyback →				← After Proposed Share Buyback @ →			
	No. of Shares held		No. of Shares held		No. of Shares held		No. of Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Hong Leong Industries Berhad	114,998,647	57.82	7,039,700	3.54#	114,998,647	60.88	7,039,700	3.73#
Hong Leong Company (Malaysia) Berhad ("HLCM")	-	-	133,547,509	67.14#	-	-	133,547,509	70.70#
Tan Sri Quek Leng Chan	-	-	133,601,009	67.17*	-	-	133,601,009	70.73*
HL Holdings Sdn Bhd	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Hong Realty (Private) Limited	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Hong Leong Investment Holdings Pte. Ltd.	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Kwek Holdings Pte Ltd	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Kwek Leng Beng	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Kwek Leng Kee	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Davos Investment Holdings Private Limited	-	-	133,547,509	67.14**	-	-	133,547,509	70.70**
Quek Leng Chye	150,000	0.08	133,547,509	67.14**	150,000	0.08	133,547,509	70.70**

Notes:

Held through subsidiary(ies)

* Held through HLCM and a company in which Tan Sri Quek Leng Chan has interest

** Held through HLCM

@ Assuming the Proposed Share Buyback is implemented in full and all the Shares so purchased are either kept as treasury shares or fully cancelled

7. PUBLIC SHAREHOLDING SPREAD

As at 6 September 2010, the public shareholding spread of the Company was 32.59%. The public shareholding spread is expected to be reduced to 29.02% assuming the Proposed Share Buyback is implemented in full with the purchase of Shares from public shareholders and all the Shares so purchased, are either held as treasury shares or cancelled.

8. PURCHASES OF SHARES OR RESALE OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

As at 6 September 2010, the Company had purchased 10,986,000 Shares, which are held as treasury shares. The following are details of the purchases of its own Shares made by MPI in the preceding twelve (12) months before the date of printing of this Circular:-

Date	No. of Shares	Consideration paid* (RM)	Highest price paid (RM)	Lowest price paid (RM)	Average price paid (RM)
19.11.2009	1,000	5,600.00	5.60	5.60	5.60
27.05.2010	1,000	6,280.00	6.28	6.28	6.28
Total	2,000	11,880.00			

Note:

* Excluding brokerage and stamp duty

The Shares purchased were retained in treasury. MPI has not resold any of its treasury shares in the preceding twelve (12) months before the date of printing of this Circular. There is no cancellation of the Shares purchased or treasury shares made in the preceding twelve (12) months before the date of printing of this Circular.

9. IMPLICATION OF THE CODE

Based on the Company's Register of Substantial Shareholders as at 6 September 2010, it is unlikely that the provisions on mandatory takeovers under the Code will be triggered by any shareholder of MPI solely by reason of the Proposed Share Buyback being carried out in full.

10. SHARE PRICES

The monthly highest and lowest prices of the Shares traded on Bursa Securities for the preceding twelve (12) months from September 2009 to August 2010 are as follows:-

	High RM	Low RM
2009		
September	6.08	5.40
October	5.97	5.55
November	5.85	5.38
December	5.51	5.10
2010		
January	7.50	5.35
February	6.57	6.10
March	6.93	6.17
April	7.33	6.49
May	6.88	6.00
June	6.50	6.15
July	6.34	6.04
August	6.10	5.52

The last transacted price of the Shares on Bursa Securities on 15 September 2010, being the latest practicable date before the printing of this Circular, was RM5.99.

(Source: The Star)

11. CONDITION OF THE PROPOSED SHARE BUYBACK

The Proposed Share Buyback is subject to the approval of the shareholders of MPI at the said EGM.

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage shareholdings and/or the voting rights of the shareholders in the Company, none of the Directors and substantial shareholders and/or persons connected with them, has any interest, direct or indirect, in the Proposed Share Buyback or any resale of treasury shares.

13. DIRECTORS' RECOMMENDATION

Your Directors, having taken into consideration all aspects of the Proposed Share Buyback, are of the opinion that the Proposed Share Buyback is in the best interest of the Company and accordingly, your Directors recommend that you vote in favour of the proposed ordinary resolution pertaining to the Proposed Share Buyback to be tabled at the said EGM.

14. EGM

An EGM, notice of which is enclosed herein, will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 14 October 2010 immediately upon the conclusion of the forthcoming AGM of the Company to be held at 10.00 a.m. on the same day, to seek your approval for the Proposed Share Buyback.

If you are unable to attend the said EGM in person, please complete the enclosed Form of Proxy and forward it to the Registered Office of MPI at Level 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur, so as to arrive not less than forty-eight (48) hours before the time of the said EGM or at any adjournment thereof.

The completion and return of the Form of Proxy will not preclude you from attending and voting at the said EGM in person should you wish to do so. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

15. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix IV of this Circular for further information.

Yours faithfully
For and on behalf of the Board

PETER NIGEL YATES
Group Managing Director

DEFINITIONS PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS

- “related party(ies)” means a director, major shareholder or person connected with such director or major shareholder.
- “director” has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:-
- (a) a director of the listed issuer, its subsidiary or holding company; or
 - (b) a chief executive of the listed issuer, its subsidiary or holding company; and
 - (c) in relation to a special purpose acquisition company (“SPAC”), a member of the SPAC’s management team.
- “major shareholder” includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer (means a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation)
- or any other corporation which is its subsidiary or holding company.
- (For the purpose of this definition, “interest in shares” has the meaning given in Section 6A of the Act).
- “person connected” in relation to a director, major shareholder or in relation to a SPAC, a member of the management team, means such person who falls under any one of the following categories:-
- (a) a family member of the director, major shareholder or management team member;
 - (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director, major shareholder, management team member, or a family member of the director, major shareholder or management team member, is the sole beneficiary;

- (c) a partner of the director, major shareholder, management team member, or a partner of a person connected with that director, major shareholder or management team member;
- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, major shareholder or management team member;
- (e) a person in accordance with whose directions, instructions or wishes the director, major shareholder, or management team member is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, major shareholder or management team member;
- (g) a body corporate or its directors whose directions, instructions or wishes the director, major shareholder or management team member is accustomed or under an obligation, whether formal or informal, to act;
- (h) a body corporate in which the director, major shareholder or management team member, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (i) a body corporate which is a related corporation.

PERSONS CONNECTED WITH HLCM AS AT 6 SEPTEMBER 2010

Company	Interest of HLCM as at 06.09.2010 (%)	Nature of business
1. HL Management Co Sdn Bhd and its subsidiaries and/or its related corporations	100.00	Provision of management and training services, investment holding, provision of fund management, nominees and custodian services
2. Hong Leong Share Registration Services Sdn Bhd	100.00	Provision of share registration services
3. Guardian Security Consultants Sdn Bhd	20.00	Provision of security guard services
4. GuoLine Group Management Co. Limited and its subsidiary	100.00	Investment holding and provision of management services
5. GuoLine Intellectual Assets Limited	100.00	Intellectual properties holding company
6. Hume Industries (Malaysia) Berhad and its unlisted subsidiaries and associated corporations	100.00	Investment holding, manufacture and sale of concrete products, fibre cement products and concrete roofing tiles
7. Hong Leong Financial Group Berhad and its unlisted subsidiaries and associated corporations	77.31	Investment holding and provision of services to its subsidiaries to enhance group value, commercial and Islamic banking businesses, investment banking, takaful businesses, rental of properties, life and general insurance businesses, stock and securities broking, provision of nominee and custodian services, asset management, sales of unit trust and futures broking business
8. Hong Leong Bank Berhad and its subsidiaries and associated corporations	64.56	Commercial banking business and provision of related services which include Islamic Banking business, finance company business, leasing and hire purchase activities, real property investment, property investment holding, agent and nominee for clients and investment in offshore securities

Company	Interest of HLCM as at 06.09.2010 (%)	Nature of business
9. HLG Capital Berhad and its subsidiaries and associated corporations	79.09	Investment holding, stock and securities broking, provision of nominees and custodian services, asset management, sales of unit trust and management of unit trust funds, futures broking, provision of online stock trading facilities, investment in offshore securities and investment banking and corporate advisory services
10. GuocoLand (Malaysia) Berhad and its subsidiaries and associated corporations	64.99	Investment holding, property development, property investment, hotel operations, trading in securities, provision of management services and operation of oil palm estates
11. Hong Leong Industries Berhad and its unlisted subsidiaries and associated corporations	71.00	Investment holding, manufacturing and assembling of motorcycles, scooters, motorcycle engines and related parts and products, distribution of motorcycles and motorcycle components, provision of maintenance and repair services for motorcycles, manufacturing and sale of ceramic tiles, provision of research and development services for motorcycles and ceramic tiles and manufacturing and sale of newsprint and related paper products
12. Southern Steel Berhad and its subsidiaries and associated corporations	70.47	Manufacturing and trading of billets, steel bars and wire rods, investment holding, manufacture and sale of steel products, steel wire products, steel pipes, wire mesh, wire ropes, galvanized wires and strands and pre-stressed concrete strands and wires
13. Narra Industries Berhad and its subsidiaries and associated corporations	61.59	Investment holding, design, manufacture and supply of furniture and interior design fit-out works

Company	Interest of HLCM as at 06.09.2010 (%)	Nature of business
14. Guoco Group Limited and its unlisted subsidiaries and associated corporations	71.48	Investment holding, investment management, principal investment, property investment as well as financial services including stock and commodity broking and investment advisory
15. GuocoLand Limited and its unlisted subsidiaries and associated corporations	67.95	Investment holding, property development and investment, property management and property related services
16. Prime Orion Philippines, Inc. and its subsidiaries and associated corporations	19.06	Investment holding, property development and other property-related services, manufacturing and distribution of ceramic floor and wall tiles; information technology consultancy services and non-life insurance services
17. Lam Soon (Hong Kong) Limited and its subsidiaries and associated corporations	57.53	Investment holding, importing, processing and trading of flour products, manufacturing, processing and trading of edible oils, processing and trading of detergent products
18. Cyber Bay Corporation and its subsidiary	22.28	Property development
19. GuocoLeisure Limited (“GL”) and its subsidiaries and associated corporations	65.54	GL's primary role is as an active investor with strategic shareholdings and active investment management aimed at extracting and maximising shareholders' value

ACTIVITIES OF THE MPI GROUP AS AT 6 SEPTEMBER 2010

Name of Company	Effective % held	Principal Activity
Carsem (M) Sdn Bhd and its subsidiary:-	70	Manufacturing and testing of semiconductor devices and electronic components
Recams Sdn Bhd (formerly known as Carsem Semiconductor Sdn Bhd)	70	Dormant
Carter Realty Sdn Bhd and its subsidiary:-	70	Investment holding
Carsem Inc.	70	Semiconductor devices' and electronic components' marketing agent
Dynacraft Industries Sdn Bhd	100	Manufacturing and sale of leadframes
Carsem Holdings Limited and its subsidiary:-	100	Investment holding
Carsem Semiconductor (Suzhou) Co., Ltd	100	Manufacturing and testing of semiconductor devices and electronic components
Carsem Holdings (HK) Limited	100	Intended to be an investment holding company

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular had been seen and approved by the Directors who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save for the following, MPI and its subsidiaries are not engaged in any material litigation, claims and arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against MPI and its subsidiaries or any facts likely to give rise to any proceeding which might materially and adversely affect the position and business of MPI and its subsidiaries:

- Amkor Technology, Inc. (“Amkor”) filed a complaint with the International Trade Commission (“ITC”) on 17 November 2003 alleging Carsem (M) Sdn Bhd, Carsem Semiconductor Sdn Bhd (now known as Recams Sdn Bhd) and Carsem Inc. (collectively “Carsem Group”) of infringing three of Amkor’s United States Patents. Amkor also filed a civil lawsuit at the District Court on even date alleging Carsem Group of infringement of the same three patents which were the subject of the ITC Investigation. This civil lawsuit was stayed by the District Court pending the outcome of the ITC Investigation.

Following lengthy legal proceedings over several years, on 20 July 2010, the ITC terminated the investigation and issued the Final Determination finding that the claims of Amkor’s patents are invalid and/or not infringed and that Carsem Group has not violated section 337 of the Tariff Act by importing the Micro Leadframe Package (MLP) Products.

3. MATERIAL CONTRACTS

There are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the MPI Group during the two (2) years immediately preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of MPI at Level 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular to the date of the said EGM:-

- (i) Memorandum and Articles of Association of MPI;
- (ii) Audited Financial Statements of the MPI Group for the two (2) financial years ended 30 June 2009 and 2010; and
- (iii) Complaint referred to in paragraph 2 above.



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Malaysian Pacific Industries Berhad (“the Company”) will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 14 October 2010 immediately upon the conclusion of the 49th Annual General Meeting of the Company to be held at 10.00 a.m. on the same day, for the purpose of considering and, if thought fit, passing with or without modifications, the following motions:

ORDINARY RESOLUTION 1

- 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 to enter into recurrent related party transactions of a revenue or trading nature as disclosed in Section 2.3(A) of Part A of the Circular to Shareholders dated 22 September 2010 with HLCM and persons connected with HLCM as set out in Appendix II of this Circular (“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 the aggregate value of the recurrent related party transactions conducted during the financial year is disclosed in the annual report of the Company by providing a breakdown of the aggregate value of the transactions made during the financial year, amongst others, based on the following information:

- (a) the type of the recurrent related party transactions made; and
- (b) the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company and/or its subsidiaries;

AND THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this Extraordinary General Meeting at which such proposed shareholders’ mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) 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
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

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 2

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

“**THAT** subject to the Companies Act, 1965 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association and the Main Market 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 ordinary 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 ordinary 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 2010, the audited retained profits and share premium of the Company were RM229.55 million and RM249.95 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 Main Market 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 (“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 Main Market 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.”

By Order of the Board

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
22 September 2010

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 of the meeting or adjourned meeting.*



Malaysian Pacific Industries Berhad (4817-U)

A Member of the Hong Leong Group

FORM OF PROXY

I/We _____

NRIC/Passport/Company No. _____

of _____ being a member of

Malaysian Pacific Industries Berhad, hereby appoint _____

NRIC/Passport No. _____

of _____

or failing him/her _____

NRIC/Passport No. _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 14 October 2010 immediately upon the conclusion of the 49th Annual General Meeting of the Company to be held at 10.00 a.m. on the same day.

My/Our proxy/proxies is/are to vote either on a show of hands or on a poll as indicated below with an "X":

RESOLUTIONS	FOR	AGAINST
ORDINARY RESOLUTION 1 - 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		
ORDINARY RESOLUTION 2 - Proposed renewal of the authority for the purchase of own shares by the Company		

Dated this _____ day of _____ 2010

Number of shares held _____

Signature(s) of Member _____

Notes:

- If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
- If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
- 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 shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid (please see note 7 below). Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
- All Forms of Proxy must be duly executed and 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 of the meeting or adjourned meeting.
- In the event two (2) proxies are appointed, please fill in the ensuing section.

Names of proxies	% of shareholdings to be represented

PLEASE FOLD HERE

Affix
stamp

The Company Secretary
MALAYSIAN PACIFIC INDUSTRIES BERHAD
Level 9, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

PLEASE FOLD HERE
