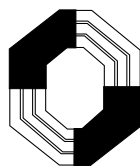


This Circular is important and requires your immediate attention. If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your ordinary shares in LPI Capital Bhd, you should at once hand this Circular and the Annual Report 2003 together with the Notice of Annual General Meeting and Form of Proxy immediately to the purchaser or the transferee or to the stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

Malaysia Securities Exchange Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



LPI CAPITAL BHD (4688-D)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A

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

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Notice of the Forty-Third Annual General Meeting of LPI Capital Bhd to be held at Junior Ballroom, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, on Tuesday, 24 February 2004 at 11.00 a.m. together with a Form of Proxy are enclosed in the Annual Report 2003. Shareholders are advised to refer to the Notice of the Forty-Third Annual General Meeting and the Form of Proxy. The Form of Proxy must be lodged at the Registered Office of the Company at 6th Floor, Bangunan Public Bank, 6 Jalan Sultan Sulaiman, 50000 Kuala Lumpur not later than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	: 22 February 2004; 11.00 a.m.
Date and time of the Annual General Meeting	: 24 February 2004; 11.00 a.m.
Place of the Annual General Meeting	: Junior Ballroom, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	The Board of Directors of LPI
Code	:	Malaysian Code on Take-Overs and Mergers, 1998
CTHSB	:	Consolidated Teh Holdings Sdn Berhad (31631-U)
EPS	:	Earnings per share
KCS	:	Kayakita Corporation Sdn Bhd (99635-W)
KCSB	:	Kepunyaan Chintamani Sdn Bhd (114541-K)
KPSB	:	Kepunyaan Pejal Sdn Berhad (115561-K)
Listing Requirements	:	Listing Requirements of MSEB
Lonpac Insurance	:	Lonpac Insurance Bhd (307414-T), a wholly-owned subsidiary of LPI
LPHSB	:	London & Pacific Holdings Sdn Bhd (129512-U), a wholly-owned subsidiary of LPI
LPI or Company	:	LPI Capital Bhd (4688-D)
LPI Group	:	LPI and its subsidiaries, collectively
MSB	:	Moninvest Sdn Berhad (147208-M)
MSEB	:	Malaysia Securities Exchange Berhad (635998-W)
NIPPONKOA	:	NIPPONKOA INSURANCE CO. LTD. (0199-01-034986)
NTA	:	Net tangible assets
PBB	:	Public Bank Berhad (6463-H)
PBB Group	:	PBB and its subsidiaries, collectively
PBCL	:	Premium Bond Company Limited (114990)
PBIF	:	PB International Factors Sdn Bhd (198908-W), a 55.0% owned subsidiary of PBB
PBSB	:	Premium Bond (M) Sdn Berhad (145990-A)
PBSSB	:	PB Securities Sdn Bhd (20027-W), a wholly-owned subsidiary of PBB
PFB	:	Public Finance Berhad (6471-U), a wholly-owned subsidiary of PBB
PHSB	:	Public Holdings Sdn Bhd (13818-T), a wholly-owned subsidiary of PBB

DEFINITIONS (Cont'd)

PLF	:	Public Leasing & Factoring Sdn Bhd (112809-D), a wholly-owned subsidiary of PBB
PMB	:	Public Mutual Berhad (23419-A), a 90.0% owned subsidiary of PBB
PMBB	:	Public Merchant Bank Berhad (14328-V), a wholly-owned subsidiary of PBB
PPSB	:	PB Properties Sdn Bhd (124348-M), a wholly-owned subsidiary of PBB
PULF	:	Public United Leasing and Factoring Sdn Bhd (112798-T), a wholly-owned subsidiary of LPI
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of shareholders' mandate in respect of Recurrent Transactions
Proposed Renewal of Share Buy-Back Authority	:	Proposed renewal of authority to purchase and/or hold of Shares by LPI of up to ten per cent (10%) of the issued and paid-up ordinary share capital of the Company
Proposals	:	Collectively, the Proposed Renewal of Shareholders' Mandate and the Proposed Renewal of Share Buy-Back Authority
Purchased Shares or Purchased LPI Shares	:	Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
Recurrent Transactions	:	Recurrent related party transactions of a revenue or trading nature, which are necessary for the day to day operations of the LPI Group and are in the ordinary course of business of the LPI Group
Related Parties	:	A director, major shareholder or person connected with such director or major shareholder including any person who is or was within the preceding twelve (12) months of the date on which the terms of transaction were agreed upon, a director or a major shareholder of the Company and/or its subsidiary companies
RM and sen	:	Ringgit Malaysia and sen, respectively
Share(s)	:	Ordinary share(s) of RM1.00 each in LPI
Shareholders' Mandate	:	Shareholders' mandate in respect of recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operations and are in the ordinary course of business of the LPI Group.
SHSB	:	Selected Holdings Sdn Berhad (39003-U)
SSSB	:	Selected Securities Sdn Bhd (7353-M)
Treasury Shares	:	Purchased LPI Shares which will be retained in treasury

(Words importing the singular shall, where applicable, include the plural and vice versa)

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Registered Office:

6th Floor, Bangunan Public Bank
6, Jalan Sultan Sulaiman
50000 Kuala Lumpur

30 January 2004

Board of Directors:

Y. Bhg. Tan Sri Dato' Sri Dr. Teh Hong Piow (*Chairman*)
Y. Bhg. Dato' Yeoh Chin Kee
Tee Choon Yeow (*Executive Director*)
Tan Kok Guan (*Executive Director*)
Lee Chin Guan
Geh Cheng Hooi

To: The Shareholders of LPI Capital Bhd

Dear Sir/Madam,

PART A

- **THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

PART B

- **THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

I. INTRODUCTION

On 12 March 2003, the Company announced that the shareholders had approved the following proposals at the AGM held on 12 March 2003: -

- a. authority for the renewal of shareholders' mandate in relation to recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operations and are in the ordinary course of business of the LPI Group; and
- b. authority for the renewal of share buy-back by the Company up to ten per cent (10%) of the issued and paid-up share capital of LPI, in accordance with Section 67A of the Act.

The said authorisation shall, in accordance with the Listing Requirements, expire at the conclusion of the AGM of LPI, which will be held on 24 February 2004. On 23 December 2003, the Board announced to MSEB that the Company is proposing the Proposed Renewal of Shareholders' Mandate and Proposed Renewal of Share Buy-Back Authority from its shareholders, at the forthcoming AGM to be held on 24 February 2004.

The purpose of this Circular is to provide you with the details of the Proposed Renewal of Shareholders' Mandate and Proposed Renewal of Share Buy-Back Authority and to seek your approval for the Ordinary Resolutions pertaining to the Proposals to be tabled as Special Business at the forthcoming AGM, notice of which has been set out in the Notice of AGM in the Annual Report 2003. The details of the Proposals are set out in Parts A and B respectively.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY RESPECTIVELY AT THE FORTHCOMING AGM. THE PROPOSALS ARE NOT INTER-CONDITIONAL UPON ONE ANOTHER.

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