

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of Lion Forest Industries Berhad will be held at the Meeting Hall, Level 16, Office Tower, No. 1 Jalan Nagasari (Off Jalan Raja Chulan), 50200 Kuala Lumpur on 11 December 2012 at 10.30 am for the following purposes:

AGENDA

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2012. **Note 3**
2. To approve the payment of a final dividend of 2.0 sen per ordinary share, tax exempt. **Resolution 1**
3. To approve the payment of Directors' fees amounting to RM192,500 (2011 : RM210,000). **Resolution 2**
4. To re-elect Director:

In accordance with Article 98 of the Company's Articles of Association, Y. Bhg. Tan Sri William H.J. Cheng retires by rotation and, being eligible, offers himself for re-election. **Resolution 3**
5. To re-appoint Y. Bhg. Dato' Kalsom binti Abd. Rahman as an independent non-executive Director. **Resolution 4**
6. To re-appoint Auditors to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Resolution 5**
7. Special Business

To consider and, if thought fit, pass the following ordinary resolutions:
 - 7.1 Authority to Directors to issue shares

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of all relevant authorities being obtained, 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 does not exceed 10% of the issued and paid-up capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company." **Resolution 6**
 - 7.2 Proposed Shareholders' Mandate for Recurrent Related Party Transactions

"THAT approval be and is hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations as detailed in paragraph 3.3 and with those related parties as set out in paragraph 3.2 of the Circular to Shareholders of the Company dated 19 November 2012 ("Related Parties") which has been despatched to the shareholders of the Company, provided that such transactions are undertaken in the ordinary course of business and are on normal commercial terms which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

THAT authority conferred by this ordinary resolution will only continue to be in force until:
 - (i) the conclusion of the next annual general meeting of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

- (ii) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier; and

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this ordinary resolution which shall include, without limitation, taking any action which the Directors may, in their absolute discretion deem fit, to recover any sums due to the Company under the said transactions or to settle the same."

8. To transact any other business for which due notice shall have been given.

DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT a depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred into the depositor's securities account before 4.00 pm on 14 December 2012 in respect of transfers; and
- (b) shares bought on the Exchange on a cum entitlement basis according to the Rules of the Exchange.

The dividend, if approved, will be paid on 27 December 2012 to shareholders on the Register of Members and the Record of Depositors of the Company at the close of business on 14 December 2012.

By Order of the Board

WONG PHOOI LIN
YASMIN WEILI TAN BINTI ABDULLAH
Secretaries

Kuala Lumpur
19 November 2012

Notes:

1. *Proxy*
 - *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 4 December 2012 shall be eligible to attend the Meeting.*
 - *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or the hand of an officer or attorney duly authorised.*
 - *The instrument of proxy shall be deposited at the office of the Registrar of the Company, Level 13, Office Tower, No. 1 Jalan Nagasari (Off Jalan Raja Chulan), 50200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.*
 - *Completed Form of Proxy sent through facsimile transmission shall not be accepted.*

Notes: (continued)

2. Circular to Shareholders dated 19 November 2012 (“Circular”)

Details on the Proposed Shareholders’ Mandate for Recurrent Related Party Transactions are set out in the Circular enclosed together with the 2012 Annual Report.

3. Agenda Item 1

This item of the Agenda is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 require that the Directors’ Report and the Audited Financial Statements be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

4. Resolution 4

The Nomination Committee has assessed the independence of Y. Bhg. Dato’ Kalsom binti Abd. Rahman, who has served on the Board as an independent non-executive Director of the Company for a cumulative term of more than 8 years and the Board has recommended that the approval of the shareholders be sought to re-appoint Dato’ Kalsom as an independent non-executive Director as Dato’ Kalsom possesses the following attributes necessary in discharging her role and function as an independent non-executive Director of the Company:

- i) Has vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgement.*
- ii) Consistently challenges management in an effective and constructive manner.*
- iii) Has good and thorough understanding of the main drivers of the business in a detailed manner.*
- iv) Actively participates in board deliberations and decision making in an objective manner.*
- v) Exercises due care in all undertakings of the Group and carries out her fiduciary duties in the interest of the Company and minority shareholders.*

5. Resolution 6

This approval will allow the Company to procure the renewal of the general mandate (“General Mandate”) which will empower the Directors of the Company to issue shares in the Company up to an amount not exceeding in total 10% of the issued and paid-up capital 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.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held on 22 December 2011 which will lapse at the conclusion of this Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for purposes of funding future investment projects, working capital and/or acquisitions.

6. Resolution 7

This approval will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as set out in paragraph 3.2 of the Circular, which are necessary for the Group’s day-to-day operations undertaken in the ordinary course of business and are on normal commercial terms which are consistent with the Group’s usual business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.