

## NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Third Annual General Meeting of Lion Forest Industries Berhad will be held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur on 23 November 2015 at 3.00 pm for the following purposes:

### AGENDA

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2015. **Note 3**
2. To approve the payment of Directors' fees amounting to RM164,000 (2014: RM164,000). **Resolution 1**
3. To re-elect Directors:
  - In accordance with Article 98 of the Company's Articles of Association, Y. Bhg. Dato' Eow Kwan Hoong retires by rotation and, being eligible, offers himself for re-election. **Resolution 2**
  - In accordance with Article 99 of the Company's Articles of Association, Ms Cheng Hui Ya, Serena who was appointed subsequent to the financial year retires and, being eligible, offers herself for re-election. **Resolution 3**
4. To consider and, if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965 as ordinary resolutions:
  - "THAT pursuant to Section 129(6) of the Companies Act, 1965, Y. Bhg. Tan Sri William H.J. Cheng be and is hereby re-appointed Director of the Company to hold office until the next annual general meeting of the Company." **Resolution 4**
  - "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Lin Chung Dien be and is hereby re-appointed Director of the Company to hold office until the next annual general meeting of the Company." **Resolution 5**
5. 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 6**
6. Special Business
  - To consider and, if thought fit, pass the following resolutions as ordinary resolutions:
    - 6.1 Retention of Independent Non-Executive Director
      - "THAT pursuant to the recommendation of the Malaysian Code on Corporate Governance 2012, Y. Bhg. Dato' Kalsom binti Abd. Rahman who has served as an independent non-executive Director of the Company for more than nine (9) years, be and is hereby retained as an independent non-executive Director of the Company to hold office until the next annual general meeting of the Company." **Resolution 7**
    - 6.2 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 8**

6.3 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 Part A of the Circular to Shareholders of the Company dated 30 October 2015 ("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

**Resolution 9**

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 of the Company 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."

6.4 Proposed Renewal of Authority for Share Buy-Back

"THAT, subject to the Companies Act, 1965, the provisions of the Articles of Association of the Company, the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant authorities, the Company be and is hereby authorised to buy back such number of ordinary shares of RM1.00 each in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

**Resolution 10**

- (i) the aggregate number of shares bought back and/or held by the Company does not exceed 10% of the total issued and paid-up capital of the Company at any point of time provided always that in the event the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the previous Annual General Meeting held on 2 December 2014, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total issued and paid-up share capital of the Company; and
- (ii) the maximum funds to be allocated for the share buy-back shall not exceed the retained profits or the share premium account of the Company or both, based on its latest audited financial statements available up to the date of the share buy-back transaction

(hereinafter referred to as the "Proposed Share Buy-Back"); and

THAT authority conferred by this ordinary resolution shall commence immediately upon the passing of this resolution and will only continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first; and

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to cancel the Shares so purchased by the Company, to retain the Shares so purchased as treasury shares, or to retain part of such Shares so purchased as treasury shares and cancel the remainder, and to distribute the treasury shares as share dividends and/or resell the treasury shares on the market of Bursa Securities;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and to execute all necessary documents, to give full effect to the Proposed Share Buy-Back with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant authorities or as may be deemed necessary by the Directors and to take all steps and actions as may be required by the relevant authorities and as the Directors may deem necessary and expedient to finalise, implement and give full effect to the Proposed Share Buy-Back.”

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

By Order of the Board

**WONG PHOOI LIN**  
**YASMIN WEILI TAN BINTI ABDULLAH**  
Secretaries

Kuala Lumpur  
30 October 2015

**Notes:**

1. Proxy

- *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 16 November 2015 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.*

*Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

- *The instrument of proxy shall be deposited at the Office of the Registrar of the Company, Level 13, Lion Office Tower, No. 1 Jalan Nagasari, 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.*

2. Circular to Shareholders dated 30 October 2015 ("Circular")

*Details on the following are set out in the Circular enclosed together with the 2015 Annual Report:*

- (i) *Part A - Proposed Shareholders' Mandate for Recurrent Related Party Transactions*
- (ii) *Part B - Proposed Renewal of Authority for Share Buy-Back*

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 7

*The Board assisted by 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 more than nine (9) years and the Board has recommended that the approval of the shareholders be sought to retain Dato' Kalsom as an independent non-executive Director as she possesses the following attributes necessary in discharging her roles and functions as an independent non-executive Director of the Company:*

- (i) *Fulfills the criteria of an independent Director as defined in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.*
- (ii) *Has vast experience in various fields relevant to the Group's business.*
- (iii) *Challenges Management in an effective and constructive manner.*
- (iv) *Performs her duties as a Director without being subject to influence of Management.*
- (v) *Participates in Board and Board committees deliberations and is objective in decision-making.*
- (vi) *Exercises due care in all undertakings of the Group and carries out her professional duties in the interest of the Company and minority shareholders.*

**Notes:** (continued)

5. Resolution 8

*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 2 December 2014 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 9

*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 Part A 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.*

7. Resolution 10

*This approval will empower the Directors of the Company to purchase the Company’s shares up to 10% of the issued and paid-up capital of the Company at any point of time. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the company.*