

## ACB RESOURCES BERHAD (“ACB”)

### PROPOSED DISPOSAL OF LCB BONDS/RCSLS

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This announcement is dated 30 June 2014.

A list of definitions referred to in this announcement is set out in Appendix I.

We refer to the announcements dated 16 December 2013, 8 January 2014 and 13 January 2014 in respect of the Proposed Disposal of LCB Bonds/RCSLS (“**Announcements**”). Unless otherwise defined, all defined terms used in this announcement shall carry the same meaning as defined in the Announcements.

#### 1. INTRODUCTION

On 8 January 2014, the Board of Directors of ACB (“**Board**”) announced that Tan Sri William H.J. Cheng (“**TSWC**” or “**Purchaser**”) had issued a letter informing ACB that the offer made by him for the Proposed Acquisition of LCB Bonds/Debt/RCSLS was withdrawn and he will be reviewing the terms for the renewed offer for the Proposed Acquisition of LCB Bonds/Debt/RCSLS.

The Board wishes to announce that TSWC had vide its letter dated 26 June 2014 made a revised offer to acquire from ACB the entire LCB Bonds and LCB RCSLS (excluding the TSWC RCSLS) held by ACB for the ACB Consideration of RM125.88 million and ACB Additional Final Payment of RM4.23 million (“**Proposed Disposal of LCB Bonds/RCSLS**”).

TSWC’s offer to acquire the entire LCB Bonds/RCSLS held by ACB is part of TSWC’s revised offer to acquire from the LCB Lenders (including ACB) the entire LCB Bonds/Debt/RCSLS including TSWC RCSLS for an aggregate cash consideration of RM246 million (comprising the Purchase Consideration and Additional Final Payment) (“**Proposed Acquisition of LCB Bonds/Debt/RCSLS**”).

In the preparation of this Announcement, the following assumptions were made:

- (i) The exchange rate is assumed to be USD1.00: RM3.30; and
- (ii) The completion date of the Proposed Disposal of LCB Bonds/RCSLS is assumed to be 30 November 2014.

As such for illustration purposes, the ACB Bonds/SPV Debts and LCB Bonds/Debt/RCSLS cut-off date for present value (“**PV**”) computation is as at 30 November 2014 based on the register as at 11 March 2014, and respective yield-to-maturity (“**YTM**”), adjusted to PV as at 30 November 2014.

## 2. SALIENT TERMS OF THE PROPOSED DISPOSAL OF LCB BONDS/RCCLS

The salient terms of the Proposed Disposal of LCB Bonds/RCCLS are as follows:-

### 2.1 ACB Consideration and ACB Additional Final Payment

The ACB Consideration and ACB Additional Final Payment shall be satisfied in the following manner:-

Settlement Date	(%)	ACB Consideration and ACB Additional Final Payment (RM' million) <sup>(b)</sup>
(i) Within ten (10) Business Days from the date of the ACB SPA (“ <b>Refundable Deposit</b> ”)	5	6.29 <sup>(a)</sup>
(ii) Upon completion of the ACB SPA (“ <b>Completion Date</b> ”)	10	12.59
(iii) On or before 31 May 2015 (“ <b>First Deferred Cash Payment</b> ”) <sup>(c)</sup>	20	25.18
(iv) On or before 31 August 2015 (“ <b>Second Deferred Cash Payment</b> ”) <sup>(c)</sup>	25	31.47
(v) On or before 30 November 2015 (“ <b>Final Deferred Cash Payment</b> ”) <sup>(c)</sup>	40	50.35
<b>ACB Consideration</b>	<b>100</b>	<b>125.88</b>
(vi) On or before 30 November 2015 (“ <b>ACB Additional Final Payment</b> ”)		<b>4.23</b>
<b>Total</b>		<b>130.11</b>

#### Notes:-

- (a) *The Refundable Deposit to be paid to RHB Trustee Berhad (formerly known as OSK Trustee Bhd) as stakeholder (“**Stakeholder**”) and will be released to the ACB on Completion Date.*
- (b) *These amounts have been incorporated for illustration purposes only based on the Assumptions. The final allocation will be based on the Definitive Date.*

*For the avoidance of doubt, the method of calculation shall be as follows:-*

$$\frac{A}{B} \times C$$

“**A**” *is the holdings in LCB Bonds/LCB Debts/LCB RCCLS based on PV as at the Definitive Date*

“**B**” *is the total LCB Bonds/LCB Debts/LCB RCCLS based on PV as at the Definitive Date*

“**C**” *is the Purchase Consideration of RM238.00 million or the Additional Final Payment of RM8.00 million (as the case may be) offered to all LCB Lenders (including ACB)*

*The exchange rate for purposes of computing the allocation between the LCB Lenders shall also be fixed on the Definitive Date (if the Definitive Date does not fall on a Business Day, the Definitive Date shall be the following Business Day thereof) based on the average buying and selling rate as quoted by Malayan Banking Berhad*

(c) *Deferred interest of 6% shall accrue on the Deferred Cash Payments*

## **2.2 Deferred Cash Payments, ACB Additional Final Payment and Security**

Notwithstanding the Deferred Cash Payments and the ACB Additional Final Payment referred to above, the Proposed Disposal of LCB Bonds/RCSLS shall be deemed to be completed on the Completion Date as stipulated in the ACB SPA.

The Purchaser acknowledges that such part of the Deferred Cash Payments and the ACB Additional Final Payment as remaining unpaid from time to time by the Purchaser to ACB shall constitute a valid debt payable by the Purchaser to ACB in accordance with the provisions set out in the ACB SPA.

The Purchaser shall pay to ACB, interest on the Deferred Cash Payments at six per cent (6%) per annum. The interest is to be calculated from and including the day following the Completion Date to the date of actual payment and such interest shall be paid together with the respective Deferred Cash Payments. No interest shall accrue on the ACB Additional Final Payment.

Any payment made by the Purchaser shall firstly be applied towards settlement of the interest charged and thereafter the Deferred Cash Payments and thereafter, the ACB Additional Final Payment.

Until the full payment of the Deferred Cash Payments together with the interest payable thereon and the ACB Additional Final Payment to ACB, the Purchaser shall create in favour of and shall grant to ACB effective from the Completion Date, a first legal charge by way of a memorandum of deposit ("**MOD**") over the ACB Sale Securities together with the voting rights (subject to the exercise of the voting rights by the Purchaser prior to the default of the ACB SPA and/or the MOD in respect of the matters set out in the MOD), all accretions, benefits, advantages (all payments received/accrued from the ACB Sale Securities shall be utilised for the repayment/prepayment of the Deferred Cash Payments and the ACB Additional Final Payment) and liens whatsoever accruing in respect of the ACB Sale Securities ("**Charged Securities**") to secure the repayment of the respective Deferred Cash Payments and the ACB Additional Final Payment and all interest, costs and expenses and other liabilities payable or agreed to be paid by the Purchaser under the ACB SPA and the MOD. The Purchaser shall execute and perfect such security documentation in escrow (including the MOD) on such terms and conditions acceptable to ACB.

In addition, ACB agrees to assign by way of sale, all rights of ACB under the ACB SPA and under the security described above, to the Security Trustee, as agent for the ACB Lenders receiving the total consideration, including the entitlement to the Deferred Cash Payments and ACB Additional Final Payment in accordance with the ACB PSSA.

The Charged Securities shall be released or discharged in its entirety within ten (10) Business Days from the date of and only upon full settlement of the ACB Consideration and ACB Additional Final Payment by the Purchaser and all interest, costs and expenses and other liabilities payable or agreed to be paid by the Purchaser under the ACB SPA and the MOD.

Prior to the occurrence of any default under the terms of the ACB SPA and/or MOD, the Purchaser will retain the following voting rights to the Charged Securities with respect to these matters only:-

- (i) any proposal for the deferment of the LCB Bonds, LCB Debts and/or LCB RCSLS;
- (ii) waiver and/or indulgence of the defaults and/or declaration of events of defaults in relation to Megasteel Sdn Bhd, a subsidiary of LCB, the listing of LCB under Practice Note 17 of the MMLR and the de-listing of LCB from the Main Market of Bursa Securities, if any; and
- (iii) sale of any assets by LCB or its subsidiaries and any proceeds received by the Purchaser (arising from his holdings in the LCB Bonds, LCB Debts and/or LCB RCSLS) which will be used to prepay/repay, in chronological order, the Deferred Cash Payments and the ACB Additional Final Payment due under the ACB SPA,

sub-paragraphs (a),(b) and (c) above shall collectively be referred to as “**Reserved Voting Rights**”.

For the avoidance of doubt:-

- (aa) upon the occurrence of any default under the terms of the ACB SPA and/or MOD, the Reserved Voting Rights shall immediately revert to ACB and the Purchaser shall no longer be allowed to exercise the Reserved Voting Rights; and
- (bb) prior to the occurrence of any default under the terms of the ACB SPA and/or MOD, ACB will retain the voting rights to the Charged Securities with respect of all other matters in relation to the LCB Bonds, LCB Debts and/or LCB RCSLS and such voting rights are exercisable at all times by ACB at its discretion.

Default in the payment by the Purchaser of the First Deferred Cash Payment shall not accelerate the payment of the Second Deferred Cash Payment, Final Deferred Cash Payment and the ACB Additional Final Payment which shall remain due and payable on the stipulated payment date.

In the event of default of payment of the First Deferred Cash Payment by the Purchaser, ACB shall be entitled to enforce its rights under the MOD in respect of the Charged Securities to repay the outstanding amount due and owing on the First Deferred Cash Payment.

The aforesaid principle in the two (2) paragraphs above, shall apply *mutatis mutandis* for the Second Deferred Cash Payment, Final Deferred Cash Payment and the ACB Additional Final Payment.

## 2.3 Conditions Precedent

2.3.1 The Proposed Disposal of LCB Bonds/RCSLS is conditional upon the following approvals being obtained and obligations to be performed on or before the date falling three (3) months from the date of the ACB SPA with an automatic extension of one (1) month upon the expiry of the aforesaid three (3) months or by such later date as the Parties may mutually agree in writing ("**Cut-Off Date**"):-

- (i) approval of the LCB Lenders for the amendment of the respective issue documents, inter-alia, permitting the transferability of and voting rights to the LCB Bonds/Debt/RCSLS to the Purchaser on the terms as set out in the LCB Circular ("**Proposed Amendments**");
- (ii) the approval by the shareholders of ACB in an extraordinary general meeting ("**ACB EGM**") for the sale of the ACB Sale Securities to the Purchaser ("**ACB Shareholders' Approval**"), where non-fulfilment of this condition precedent will result in automatic termination of the ACB SPA whereupon Section 2.3.3 shall apply;
- (iii) approval of the Securities Commission ("**SC**") in relation to the Proposed Amendments;
- (iv) the Purchaser or his nominee(s) executing in escrow in favour of ACB, the MOD over the Charged Securities together with Form 34 (notice of creation of charge(s)), if required (in the event that the ACB Sale Securities are held by the Purchaser's nominee(s) and the charge(s) to be dated and perfected on the Completion Date;
- (v) the LCB Lenders each executing the sale and purchase agreement with the Purchaser to respectively sell and purchase one hundred per cent (100%) of the LCB Bonds/Debt/RCSLS held by the LCB Lenders, or such other percentage as the Purchaser may decide no later than ten (10) Business Days from the date of ACB EGM.

For avoidance of doubt:-

- (a) Upon execution by the LCB Lenders of the sale and purchase agreements with the Purchaser to respectively sell and purchase the LCB Bonds/Debt/RCSLS totalling one hundred per cent (100%) of LCB Bonds/Debt/RCSLS, this condition precedent shall be deemed fulfilled.
- (b) In the event the execution of the sale and purchase agreements by the LCB Lenders with the Purchaser are less than one hundred per cent (100%) of the LCB Bonds/Debts/RCSLS, the Purchaser shall decide, no later than ten (10) Business Days from the ACB EGM, whether to proceed with the purchase of the ACB Sale Securities pursuant to the offer accepted by the LCB Lenders as at the date of the ACB EGM;
- (vi) ACB executing in escrow the absolute assignment of the MOD and the ACB SPA on terms acceptable to the Security Trustee as agent for the ACB Lenders together with the relevant Forms 40(A), if required (in the event that the ACB Sale Securities are held by the Purchaser's nominee(s));

- (vii) approval of the LCB Lenders for the proposed term-out of the outstanding LCB Bonds/Debt/RCSLS, the maturity date of which will be extended as follows (“**Proposed LCB Term-Out**”);

<b>Class</b>	<b>Original Maturity Date</b>	<b>Revised Maturity Date</b>
LCB Class B(a) Bonds	31 December 2019	31 December 2031
LCB Class B(b) Bonds	31 December 2020	31 December 2034
LCB Debt	31 December 2019	31 December 2030
LCB Class B(a) RCSLS	31 December 2015	31 December 2030
LCB Class B(b) RCSLS	31 December 2015	31 December 2030
LCB Class B(c) RCSLS	31 December 2015	31 December 2030

In the preparation of the Proposed LCB Term-Out, LCB has made certain assumptions, amongst others, the following:-

- (a) The completion date of the Proposed Acquisition of LCB Bonds/Debt/RCSLS is assumed to be 30 November 2014; and
- (b) The exchange rate is assumed to be USD1.00: RM3.30.

In the event, the completion date and the exchange rate differs, the revised maturity date as tabled above will also be varied.

- (viii) approval of the LCB Lenders for the proposed indulgence of the LCB Lenders to not declare an event of default in LCB under the terms of the LCB Trust Deed, LCB Facility Agreement and the LCB RCSLS Trust Deed (“**Proposed LCB Indulgence for Non-Declaration of Event of Default**”); and
- (ix) the approval or waiver of any regulatory requirement or party by any or all of the authorities, if required.

2.3.2 To the extent permitted by law, the Purchaser reserves the right to waive the requirement to obtain any of the approvals referred to above and thereafter the Parties may proceed to Completion in accordance with the ACB SPA.

2.3.3 If the approvals referred to above is not obtained by the Cut-Off Date, the ACB SPA shall be deemed to be terminated whereupon the Refundable Deposit paid by the Purchaser to the Stakeholder shall be refunded to the Purchaser in full, free of interest, within ten (10) Business Days from the date of termination of the ACB SPA and the ACB SPA shall be null and void and of no effect and neither party shall have any claim against the other, save in respect of any antecedent breach.

## **2.4 Exercise of voting rights pursuant the Charged Securities and Proposed LCB Term-Out**

Notwithstanding the terms set out in Section 2.2 above and prior to the occurrence of any default under the terms of the ACB SPA and/or MOD, the Purchaser's voting rights shall be varied accordingly as set out below:-

- (i) In the event that the condition precedent on the Proposed LCB Term-Out as set out in Section 2.3.1(vii) above is fulfilled, the Purchaser will retain the voting rights to the Charged Securities only with respect to the matters set out in Section 2.2(b) and Section 2.2(c) above until full redemption/repayment of the balance of the LCB Bonds/Debt/RCSLS.

## **2.5 Termination of the LCB External Lenders' SPAs**

In the event of the termination of any of the LCB External Lenders' SPAs pursuant to the terms thereof ("**Terminated SPA**") occurring prior to the Completion Date totalling in aggregate at ten per cent (10%) or more of the total sale securities accepted by the Purchaser to be purchased by the him pursuant to the SPA ("**Termination Threshold**"), the Purchaser shall, within ten (10) Business Days upon the Termination Threshold being reached, by written notice to ACB and the remaining LCB External Lenders of the LCB Bonds, LCB Debts and/or LCB RCSLS ("**Remaining SPAs**") elect to:

- (i) proceed (subject to the ACB SPA and the Remaining SPAs being unconditional) to Completion in accordance to the SPA; or
- (ii) terminate the ACB SPA (and the Remaining SPAs) in which event, the Refundable Deposit shall be refunded to the Purchaser in full, free of interest, within ten (10) Business Days from the date of termination of the ACB SPA and on the date of the Purchaser's notice to terminate the ACB SPA to ACB, the ACB SPA (and the Remaining SPAs) shall lapse and be deemed null and void and of no effect and neither party (and in the Remaining SPAs) shall have any claim against the other, save in respect of any antecedent breach.

The Purchaser's right to terminate referred to above shall not apply in the event that the termination arises due to default by the Purchaser.

## **2.6 Others**

- (i) The ACB Sale Securities may be transferred to the Purchaser's nominee(s) and if so, a third party charge will be provided to ACB by the Purchaser's nominee(s).
- (ii) Save for legal and advisory fees incurred by the Parties pursuant to the appointment of their respective solicitors and/or the Monitoring Accountant (as defined in the Facility Agreement, the LCB Trust Deed, LCB RCSLS Trust Deed and the PSSA), as the case may be, in respect of the preparation and execution of the SPA and the Proposed Acquisition of LCB Bonds/Debt/RCSLS which shall be borne by the Purchaser, each Party shall bear its own costs and expenses in connection with, in relation to and/or incidental to the SPA and the Proposed Acquisition of LCB Bonds/Debt/RCSLS.

The Purchaser also agrees to bear all stamp duty and transfer fees (if any) payable in connection with the purchase of the ACB Sale Securities and/or the Charged Securities.

- (iii) During the period of validity of the ACB SPA, the LCB RCCLS Holders shall not take any steps or action to convert the LCB RCCLS into ordinary shares as permitted under the Articles of Association of LCB.

## 2.7 Utilisation of proceeds

The ACB Consideration and ACB Additional Final Payment is proposed to be utilised for the settlement of the ACB Class B Lenders at RM1.00/USD1.00 for every RM1.00/USD1.00 PV of ACB Class B Bonds/SPV Debts on pro-rata basis.

For illustration purpose, based on the register as at 11 March 2014 and PV as at 30 November 2014, the ACB Consideration and ACB Additional Final Payment shall be utilised in the following manner:-

	PV as at 30 November 2014 RM'million	ACB Consideration and ACB Additional Final Payment RM'million	Settlement Ratio (PV ACB Bonds/Debts : Cash)	Amount of Debts Settled RM'million
Class B	313.65	130.11	Every RM1/USD1 PV ACB Class B Bonds/Debts for RM1/USD1 cash	130.11

For illustration purpose, based on the register as at 11 March 2014 and PV as at 30 November 2014, the timing for the settlement of the ACB Class B Bonds/SPV Debts are as follows:-

	ACB Class B RM'million	%
Upon completion of the ACB SPA	18.88	15
On or before 31 May 2015	25.18	19
On or before 31 August 2015	31.47	24
On or before 30 November 2015	54.58 <sup>(a)</sup>	42
	<b>130.11</b>	<b>100</b>

**Note:-**

- (a) Including the ACB Additional Final Payment.

In view that the proceeds to be received by the ACB Class B Lenders shall be on a back-to-back basis with the proceeds from the Proposed Disposal of LCB Bonds/RCCLS, the interest of six per centum (6%) per annum on the Deferred Cash Payments shall also accrue to the ACB Class B Lenders.



## 2.8 Information on the Purchaser

TSWC, a Malaysian, aged 71, was appointed to the Board of the Company on 21 February 1976 and has been the Chairman since 23 August 2011.

TSWC has more than 40 years of experience in the business operations of the Lion Group encompassing steel, retail, property development, mining, tyre, motor, plantation and computer.

TSWC is also a major shareholder of ACB as well as LCB.

## 3. PURCHASER'S UNDERTAKING TO THE REMAINING LCB LENDERS

In the event the Purchaser decides to proceed with the purchase of the Sale Securities pursuant to the Proposed Acquisition of LCB Bonds/Debt/RCSLS, notwithstanding the acceptances amounts to less than one hundred per cent (100%) ("**Decided Purchases**"), the LCB Lenders (including ACB) who have decided not to dispose its LCB Bonds/Debt/RCSLS to the Purchaser shall remain as LCB Lenders ("**Remaining LCB Lenders**").

The Purchaser undertakes (as holder of the LCB Bonds/Debt/RCSLS upon completion of the Decided Purchases) to each of the Remaining LCB Lenders that prior to the occurrence of any default under the terms of the SPA and/or MOD and from the date of Completion Date until full redemption/repayment of the balance of the LCB Bonds/Debt/RCSLS held by the Remaining LCB Lenders, the Purchaser will exercise its voting rights as a LCB Lender pursuant to the Decided Purchases only on the following matters:-

- (i) waiver and/or indulgence of the defaults and/or declaration of events of defaults in relation to Megasteel, the listing of LCB under Practice Note 17 of the MMLR and the delisting of LCB from the Main Market of Bursa Securities, if any; and
- (ii) sale of any assets by LCB or its subsidiaries and any proceeds received by the Purchaser (arising from his holdings in the LCB Bonds/Debt and/or LCB RCSLS) which will be used to prepay/repay, in chronological order, the Deferred Cash Payments and the Additional Final Payment due under the SPA.

The aforesaid undertaking by the Purchaser is subject to the following:-

- (i) The Purchaser's decision to proceed with the Proposed Acquisition of LCB Bonds/Debt/RCSLS notwithstanding the acceptances is less than one hundred per cent (100%);
- (ii) The approval of the LCB Lenders and the approval of the SC on the Proposed Amendments; and
- (iii) The approval of the LCB Lenders on the Proposed LCB Term-Out.

For avoidance of doubt, the above exercise of voting rights shall only apply to the LCB Bonds/Debt/RCSLS to be acquired by the Purchaser pursuant to the Proposed Acquisition of LCB Bonds/Debt/RCSLS. As such, any LCB Bonds/Debt/RCSLS already held by the Purchaser and his related parties which are not acquired pursuant to the Proposed Acquisition of LCB Bonds/Debt/RCSLS, will not fall under the aforesaid voting restrictions and their voting rights shall remain unchanged.

#### **4. APPROVALS REQUIRED AND INTERCONDITIONALITY**

The Proposed Disposal of LCB Bonds/RCSLS is subject to approvals being obtained from the following:-

- (i) the approval of the ACB Lenders;
- (ii) the approval of the shareholders of ACB; and
- (iii) the approval of the LCB Lenders in relation to the Proposed Amendments;
- (iv) the approval of the SC in relation to the Proposed Amendments;
- (v) the approvals, waivers and/or consents from any other Malaysian regulatory authorities and/or persons, if required.

The Proposed Disposal of LCB Bonds/RCSLS is not conditional upon any other corporate proposals.

#### **5. EFFECTS OF THE PROPOSED DISPOSAL OF LCB BONDS/RCSLS**

##### **5.1 Share Capital and Major Shareholders**

The Proposed Disposal of LCB Bonds/RCSLS will not have any effect on the issued and paid-up share capital and major shareholders of ACB as they do not involve any issuance of ACB Shares.

##### **5.2 Earnings**

ACB is expected to incur a loss of RM0.32 per share as a result of the disposal of the LCB Bonds/RCSLS held by ACB to the Purchaser at approximately RM0.23 for every RM1.00 LCB Bonds/RCSLS each.

##### **5.3 NL**

Based on the audited consolidated balance sheet of ACB as at 30 June 2013, the consolidated NL per share of ACB is expected to increase from RM0.39 to RM0.71 as a result of the Proposed Disposal of LCB Bonds/RCSLS.

#### **6. ESTIMATED TIMEFRAME FOR COMPLETION**

The Proposed Disposal of LCB Bonds/RCSLS is expected to be completed by the fourth (4<sup>th</sup>) quarter of 2014.

## APPENDIX I - DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

<b>ACB or Company</b>	-	ACB Resources Berhad, an associate company of LCB
<b>ACB Additional Final Payment</b>	-	RM4.23 million, being a portion of the Additional Final Payment payable to ACB Lenders, derived based on the Assumptions
<b>ACB Bonds</b>	-	Collectively, ACB Class B Bonds and ACB Class C Bonds
<b>ACB Bondholders</b>	-	Collectively, the ACB Class B Bondholders and the ACB Class C Bondholders
<b>ACB Class B Bonds</b>	-	Zero-coupon redeemable secured Class B RM denominated bonds issued by ACB on 14 March 2003 with maturity date of 31 December 2014
<b>ACB Class B Bondholders</b>	-	Holders of the ACB Class B Bonds
<b>ACB Class B Lenders</b>	-	Collectively, the ACB Class B Bondholders and ACB Class B SPV Debt Holders
<b>ACB Class B SPV Debts</b>	-	Zero-coupon redeemable secured Class B USD denominated consolidated and rescheduled debts of the ACB SPV issued on 14 March 2003 with final repayment due on 31 December 2014
<b>ACB Class B SPV Debt Holders</b>	-	Holders of the ACB Class B SPV Debts
<b>ACB Class C Bonds</b>	-	Zero-coupon redeemable secured Class C RM denominated bonds issued by ACB on 14 March 2003 with maturity date of 31 December 2011
<b>ACB Class C Bondholders</b>	-	Holders of the ACB Class C Bonds
<b>ACB Class C Lenders</b>	-	Collectively, the ACB Class C Bondholders and ACB Class C SPV Debt Holders
<b>ACB Class C SPV Debts</b>	-	Zero-coupon redeemable secured class C USD denominated consolidated and rescheduled debts of the ACB SPV issued on 14 March 2003 with final repayment due on 31 December 2011
<b>ACB Class C SPV Debt Holders</b>	-	Holders of the ACB Class C SPV Debts
<b>ACB Consideration</b>	-	The consideration payable by the Purchaser in relation to the Proposed Disposal of LCB Bonds/ RCCLS of RM125.88 million comprising the Refundable Deposit and the Deferred Cash Payments. The amount is provided for illustration purposes derived based on the Assumptions
<b>ACB Group</b>	-	Collectively, ACB and its subsidiaries
<b>ACB Lenders</b>	-	Collectively, the ACB Bondholders and ACB SPV Debt Holders
<b>ACB Sale Securities</b>	-	The LCB Bonds/RCCLS which is subject to sale under the Proposed Disposal of LCB Bonds/RCCLS

## APPENDIX I - DEFINITIONS

<b>ACB Shareholders' Approval</b>	- Approval by the shareholders of ACB at an extraordinary general meeting for the Proposed Disposal of LCB Bonds/RCSLS
<b>ACB SPA</b>	- The form of sale and purchase agreement to be entered into between TSWC and ACB, which is annexed to the TSWC LO For ACB
<b>ACB SPV</b>	- Amsteel Harta (L) Limited, a wholly-owned subsidiary of ACB
<b>ACB SPV Debts</b>	- Collectively, ACB Class B SPV Debts and ACB Class C SPV Debts
<b>ACB SPV Debt Holders</b>	- Collectively, the ACB Class B SPV Debt Holders and the ACB Class C SPV Debt Holders
<b>ACB PSSA or PSSA</b>	- The priority and security sharing agreement dated 14 March 2003 between ACB, ACB SPV, CIMB Trustee Berhad, the Facility Agent, the Security Trustee and the security parties, as may be amended and supplemented thereto from time to time
<b>Additional Final Payment</b>	- The additional final payment payable to each of the LCB Lenders to be paid on or before 30 November 2015 in relation to the Proposed Acquisition of LCB Bonds/Debts/RCSLS, the aggregate of which is RM8.00 million
<b>Assumptions</b>	- The assumptions for purposes of preparation of this Announcement as stated in Section 1 of this Announcement
<b>Bursa Securities</b>	- Bursa Malaysia Securities Berhad
<b>Business Day</b>	- A day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Kuala Lumpur, Malaysia
<b>Completion</b>	- Payment of the Refundable Deposit and the Completion Date Payment on the Completion Date and the completion of the sale of the ACB Sale Securities by ACB to the Purchaser and the transfer of the ACB Sale Securities to the Purchaser in accordance with the terms of the ACB SPA
<b>Completion Date</b>	- The date which shall be ten (10) Business Days from the Unconditional Date or such later date as the Parties may agree
<b>Completion Date Payment</b>	- Ten per cent (10%) of the ACB Consideration
<b>Deferred Cash Payments</b>	- Collectively, the First Deferred Cash Payment and Second Deferred Cash Payment and Final Deferred Cash Payment
<b>Definitive Date</b>	- Means the last day of the month preceding the Unconditional Date
<b>Facility Agent</b>	- RHB Bank (L) Ltd
<b>FYE</b>	- Financial year(s) ended/ending
<b>LCB</b>	- Lion Corporation Berhad
<b>LCB Bonds</b>	- Collectively, LCB Class B(a) Bonds and LCB Class B(b) Bonds
<b>LCB Bondholders</b>	- Holders of the LCB Bonds

## APPENDIX I - DEFINITIONS

<b>LCB Circular</b>	- The circular issued by LCB dated 27 June 2014
<b>LCB Class B(a) Bonds</b>	- Zero-coupon redeemable secured Class B(a) RM denominated bonds issued by LCB on 14 March 2003 with the maturity date of 31 December 2019
<b>LCB Class B(a) RCCLS</b>	- The 5% Class B(a) coupon redeemable convertible secured loan stocks issued by LCB with maturity date of 31 December 2015
<b>LCB Class B(b) Bonds</b>	- Zero-coupon redeemable secured Class B(b) RM denominated bonds issued by LCB on 14 March 2003 with the maturity date of 31 December 2020
<b>LCB Class B(b) RCCLS</b>	- The 7% Class B(b) coupon redeemable convertible secured loan stocks issued by LCB with maturity date of 31 December 2015
<b>LCB Class B(c) RCCLS</b>	- The 4.25% Class B(c) coupon redeemable convertible secured loan stocks issued by LCB with maturity date of 31 December 2015
<b>LCB Debt</b>	- Zero-coupon redeemable unsecured Class B USD denominated consolidated and rescheduled debts of LCB issued on 14 March 2003 with the final repayment date of 31 December 2019
<b>LCB Debt Holder</b>	- BNP Paribas, Labuan Branch, the holder of the LCB Debt
<b>LCB External Lenders</b>	- The holders of the LCB Bonds/Debt/RCCLS other than ACB and including TSWC under the TSWC RCCLS
<b>LCB External Lenders' SPA(s)</b>	- Being one or more of the sale and purchase agreement(s) to be executed between the TSWC with one or more of the LCB External Lenders, which is annexed to the letter of offer by TSWC to the LCB External Lenders
<b>LCB Group</b>	- Collectively, LCB and its subsidiaries
<b>LCB Lenders</b>	- Collectively, the LCB Bondholders, LCB Debt Holder and LCB RCCLS Holders
<b>LCB RCCLS</b>	- Collectively, the LCB Class B(a) RCCLS, LCB Class B(b) RCCLS and LCB Class B(c) RCCLS
<b>LCB RCCLS Holders</b>	- The holders of the LCB RCCLS
<b>LCB RCCLS Trust Deed</b>	- The trust deed dated 24 February 2009 made between LCB and Malaysian Trustees Berhad and constituting the LCB RCCLS as supplemented from time to time
<b>LCB Trust Deed</b>	- The trust deed between LCB and Malaysian Trustees Berhad dated 10 March 2003 as supplemented from time to time
<b>Lion Group</b>	- Collectively, the ACB Group and the LCB Group
<b>MMLR</b>	- Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
<b>MOD</b>	- Memorandum of deposit
<b>NL</b>	- Net liabilities

## APPENDIX I - DEFINITIONS

<b>NV</b>	- Nominal Value
<b>Parties</b>	- Being parties to the SPA
<b>PCOA</b>	- Put and call option agreement dated 13 March 2009 executed between TSWC and the holders of the RCSLS
<b>Proposed Disposal of LCB Bonds/RCSLS</b>	- Proposed disposal of the entire LCB Bonds/RCSLS (excluding the TSWC RCSLS) held by ACB to TSWC for the ACB Consideration and ACB Additional Final Payment, to be satisfied wholly in cash
<b>Purchase Consideration</b>	- The purchase consideration payable to each of the LCB Lenders in relation to the Proposed Acquisition of LCB Bonds/Debts/RCSLS, the aggregate cash consideration of which is RM238.00 million
<b>Refundable Deposit</b>	- 5% of the ACB Consideration for the Proposed Disposal of LCB Bonds/RCSLS to be paid within ten (10) Business Days from the date of the ACB SPA
<b>RM</b>	- Ringgit Malaysia
<b>SC</b>	- Securities Commission of Malaysia
<b>Security Trustee</b>	- RHB Investment Bank Berhad
<b>SPA</b>	- Collectively, the ACB SPA and the LCB External Lenders' SPA
<b>SPV</b>	- Special purpose vehicle
<b>Stakeholder</b>	- RHB Trustee Berhad (formerly known as OSK Trustee Bhd)
<b>TSWC</b>	- Tan Sri William H.J. Cheng
<b>TSWC LO For ACB</b>	- Letter of offer by TSWC to ACB dated 26 June 2014 to purchase the entire LCB Bonds/RCSLS held by ACB for the ACB Consideration and the ACB Additional Final Payment
<b>TSWC RCSLS</b>	- TSWC's holdings in LCB RCSLS and balance outstanding of RCSLS under the PCOA
<b>Unconditional Date</b>	- Being the date on which the last of the conditions precedent is fulfilled or waived in accordance to the ACB SPA
<b>USD</b>	- United States Dollar
<b>YTM</b>	- Yield to maturity