

**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 banker, stockbroker, solicitor, accountant or other professional adviser immediately. If you have sold or transferred any of the instruments set out below, please hand this Circular together with the Form of Proxy, to the agent through whom the sale or transfer was contracted or effected for transmission to the purchaser or transferee.



**ACB RESOURCES BERHAD** (20667-M)  
*(Incorporated in Malaysia)*

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED DISPOSAL OF LCB BONDS/RCSLS  
(AS DEFINED HEREIN)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Notice of the Extraordinary General Meeting (“**EGM**”) of the Company to be held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur on 18 December 2014 at 11.30 a.m. together with the Form of Proxy are enclosed herewith.

You are requested to complete the enclosed Form of Proxy and deposit it at the Office of the Registrar of the Company at Level 13, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur on or before the date and time indicated below if you are not able to attend the EGM. The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 16 December 2014 at 11.30 a.m.

Date and time of the EGM : 18 December 2014 at 11.30 a.m.

This Circular is dated 3 December 2014

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**DEFINITIONS**

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In this Circular, except where the context otherwise requires, the following terms and expressions shall have the following meanings:

- ACB or Company** - ACB Resources Berhad, an associated company of LCB
- ACB Additional Final Payment** - RM4.23 million, being a portion of the Additional Final Payment payable to ACB Lenders, derived based on the Assumptions
- ACB Bonds** - Collectively, ACB Class B Bonds and ACB Class C Bonds
- ACB Bondholders** - Collectively, the ACB Class B Bondholders and the ACB Class C Bondholders
- ACB Class B Bonds** - Zero-coupon redeemable secured Class B RM denominated bonds issued by ACB on 14 March 2003 with maturity date of 31 December 2014
- ACB Class B Bondholders** - Holders of the ACB Class B Bonds
- ACB Class B Lenders** - Collectively, the ACB Class B Bondholders and ACB Class B SPV Debt Holders
- ACB Class B SPV Debts** - 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
- ACB Class B SPV Debt Holders** - Holders of the ACB Class B SPV Debts
- ACB Class C Bonds** - Zero-coupon redeemable secured Class C RM denominated bonds issued by ACB on 14 March 2003 with maturity date of 31 December 2011
- ACB Class C Bondholders** - Holders of the ACB Class C Bonds
- ACB Class C Lenders** - Collectively, the ACB Class C Bondholders and ACB Class C SPV Debt Holders
- ACB Class C SPV Debts** - 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
- ACB Class C SPV Debt Holders** - Holders of the ACB Class C SPV Debts
- ACB Consideration** - The consideration payable by the Purchaser in relation to the Proposed Disposal of LCB Bonds/RCSLS of RM125.88 million comprising the Completion Date Payment and the Deferred Cash Payments. The amount is provided for illustration purposes and is derived based on the Assumptions
- ACB Group** - Collectively, ACB and its subsidiaries
- ACB Lenders** - Collectively, the ACB Bondholders and ACB SPV Debt Holders
- ACB Lenders' Meeting** - The meeting of the ACB Lenders held on 14 July 2014

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**DEFINITIONS**

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<b>ACB Sale Securities</b>	-	The LCB Bonds/RCSLS with an NV of RM747.33 million (based on the register as at 11 March 2014) and a PV of RM559.23 million (as at 30 November 2014) which is subject to the sale under the Proposed Disposal of LCB Bonds/RCSLS
<b>ACB SPA</b>	-	The conditional sale and purchase agreement dated 31 October 2014 entered into between ACB and TSWC
<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 listed in Schedule 1 therein), 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/Debt/RCSLS, the aggregate of which is RM8.00 million
<b>Assumptions</b>	-	The assumptions for purposes of preparation of this Circular as stated in Section 1 of this Circular
<b>Board</b>	-	Board of Directors of the Company
<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>CDRS</b>	-	The corporate and debt restructuring exercise which was implemented by the Company and LCB on 27 February 2009
<b>Circular</b>	-	This circular issued by ACB to its shareholders dated 3 December 2014
<b>Completion</b>	-	Upon the payment of 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>	-	Fifteen per cent (15%) of the ACB Consideration (including the Refundable Deposit)
<b>Deferred Cash Payments</b>	-	Collectively, the First Deferred Cash Payment, Second Deferred Cash Payment and Final Deferred Cash Payment
<b>Definitive Date</b>	-	The last day of the month preceding the Unconditional Date

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**DEFINITIONS**

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<b>EGM</b>	-	Extraordinary General Meeting of the Company
<b>Facility Agent</b>	-	RHB Bank (L) Ltd
<b>Facility Agreement</b>	-	The facility agreement dated 14 March 2003 between the ACB and the Facility Agent constituting the ACB SPV Debts as supplemented from time to time
<b>Final Deferred Cash Payment</b>	-	40% of the ACB Consideration to be paid on or before 30 November 2015
<b>First Deferred Cash Payment</b>	-	20% of the ACB Consideration to be paid on or before 31 May 2015
<b>FYE</b>	-	Financial year(s) ended/ending
<b>GWRS</b>	-	The group wide restructuring scheme which was implemented by the Company, LCB, Lion Industries Corporation Berhad and Lion AMB Resources Berhad and their respective subsidiaries on 14 March 2003
<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>	-	Holder(s) of the LCB Bonds
<b>LCB Bonds/Debt/RCCLS</b>	-	Collectively, the LCB Bonds, LCB Debt and/or LCB RCCLS
<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 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 on 27 February 2009 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 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 on 27 February 2009 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 on 27 February 2009 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

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**DEFINITIONS**

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<b>LCB External Lenders' SPA</b>	- The conditional sale and purchase agreements dated 31 October 2014 entered into between TSWC and certain LCB External Lenders on bilateral basis
<b>LCB Facility Agreement</b>	- The agreement dated 12 March 2003 made between LCB and BNP Paribas, Labuan in respect of the LCB Debt as supplemented from time to time
<b>LCB Group</b>	- Collectively, LCB and its subsidiaries
<b>LCB Lenders</b>	- Collectively, the LCB Bondholders, LCB Debt Holder and LCB RCSLS Holders
<b>LCB PSSA</b>	- The Priority and Security Sharing Agreement dated 14 March 2003 entered into among LCB, the LCB RCSLS Trustee, the LCB Debt Holder and the Security Trustee as restated and supplemented from time to time
<b>LCB RCSLS</b>	- Collectively, the LCB Class B(a) RCSLS, LCB Class B(b) RCSLS and LCB Class B(c) RCSLS
<b>LCB RCSLS Holders</b>	- The holders of the LCB RCSLS
<b>LCB RCSLS Trust Deed</b>	- The trust deed dated 24 February 2009 made between LCB and the LCB RCSLS Trustee and constituting the LCB RCSLS as supplemented from time to time
<b>LCB RCSLS Trustee</b>	- Malaysia Trustees Berhad
<b>LCB SPV</b>	- LCB Harta (L) Limited, a wholly-owned subsidiary of LCB
<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>LPD</b>	- 28 November 2014, being the latest practicable date prior to the printing of this Circular
<b>MMLR</b>	- Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
<b>NL</b>	- Net liabilities
<b>NV</b>	- Nominal Value
<b>Parties</b>	- Being parties to the SPA
<b>PCOA</b>	- Put and call option agreements dated 13 March 2009 entered into between TSWC and certain holders of the LCB RCSLS
<b>Proposed Acquisition of LCB Bonds/Debt/RCSLS</b>	- Proposed acquisition of the entire LCB Bonds/Debt/RCSLS by the Purchaser for a cash consideration of RM246.00 million (comprising the Purchase Consideration and Additional Final Payment)
<b>Proposed Disposal of LCB Bonds/RCSLS</b>	- Proposed disposal of the entire LCB Bonds/RCSLS held by ACB to the Purchaser for the ACB Consideration and ACB Additional Final Payment, to be satisfied wholly in cash

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**DEFINITIONS**

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<b>Purchase Consideration</b>	-	The purchase consideration payable to the LCB Lenders in relation to the Proposed Acquisition of LCB Bonds/Debt/RCSLS, the aggregate cash consideration of which is RM238.00 million
<b>Purchaser</b>	-	TSWC and/or his nominees
<b>PV</b>	-	Present value as at 30 November 2014
<b>Refundable Deposit</b>	-	5% of the ACB Consideration for the Proposed Disposal of LCB Bonds/RCSLS, which was paid to the Stakeholder on 12 November 2014
<b>RM</b>	-	Ringgit Malaysia
<b>SC</b>	-	Securities Commission of Malaysia
<b>Security Trustee</b>	-	RHB Investment Bank Berhad
<b>Second Deferred Cash Payment</b>	-	25% of the ACB Consideration to be paid on or before 31 August 2015
<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>Total ACB Consideration</b>	-	RM130.11 million, being the aggregate of the ACB Consideration of RM125.88 million and ACB Additional Final Payment of RM4.23 million, derived based on the Assumptions
<b>TSWC</b>	-	Tan Sri William H.J. Cheng
<b>TSWC RCSLS</b>	-	TSWC's holdings in LCB RCSLS and the balance outstanding of the LCB 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 with the ACB SPA
<b>USD</b>	-	United States Dollar
<b>YTM</b>	-	Yield to maturity

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. Reference to persons shall include corporations, unless otherwise specified.

For the purpose of this Circular, references to time relates to Malaysian time, unless otherwise stated.

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**LETTER FROM THE BOARD TO THE SHAREHOLDERS OF ACB  
IN RELATION TO THE PROPOSED DISPOSAL OF LCB BONDS/RCSLs**





**ACB RESOURCES BERHAD** (20667-M)  
(Incorporated in Malaysia)

**Registered Office:**

Level 14, Lion Office Tower  
No. 1 Jalan Nagasari  
50200 Kuala Lumpur  
Malaysia

3 December 2014

**Board of Directors:**

Tan Sri William H.J. Cheng  
Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim  
M. Chareon Sae Tang @ Tan Whye Aun  
Tan Siak Tee

**To: The Shareholders of ACB**

Dear Sir/Madam

**PROPOSED DISPOSAL OF LCB BONDS/RCSLS**

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**1. INTRODUCTION**

On 26 June 2014, the Company received a letter of offer (as supplemented by a letter dated 3 July 2014) from TSWC of his intention to acquire the entire ACB Sale Securities for the ACB Consideration of RM125.88 million and the ACB Additional Final Payment of RM4.23 million (**“Proposed Disposal of LCB Bonds/RCSLS”**).

TSWC's offer to acquire the entire ACB Sale Securities held by ACB is part of TSWC's offer to acquire from the LCB Lenders (including ACB) the entire LCB Bonds/Debt/RCSLS for an aggregate cash consideration of RM246.00 million (comprising the Purchase Consideration and the Additional Final Payment) (**“Proposed Acquisition of LCB Bonds/Debt/RCSLS”**).

Pursuant to the Proposed Acquisition of LCB Bonds/Debt/RCSLS, the Purchase Consideration and the Additional Final Payment are fixed at RM246.00 million in aggregate regardless of the Completion Date and shall be allocated to each LCB Lender (including ACB) based on the PV of the outstanding LCB Bonds/Debt/RCSLS on the last day of the month preceding the Unconditional Date of the Proposed Acquisition of LCB Bonds/Debt/RCSLS (**“Definitive Date”**) on a pro-rata basis.

For illustration purposes, based on the PV as at 30 November 2014, the Purchase Consideration and the Additional Final Payment shall be pro-rated in the following manner:

	PV as at 30 November 2014		Purchase Consideration		Additional Final Payment	
	RM'million	%	RM'million	%	RM'million	%
ACB	559.23	52.89	125.88	52.89	4.23	52.89
LCB External Lenders	498.10	47.11	112.12	47.11	3.77	47.11
<b>Total</b>	<b>1,057.33</b>	<b>100.00</b>	<b>238.00</b>	<b>100.00</b>	<b>8.00</b>	<b>100.00</b>

Currently, the entire LCB Bonds/RCSLS held by ACB are charged to ACB Lenders and ACB has defaulted in payment of the ACB Bonds and the ACB SPV Debts. As at the LPD, the ACB Lenders have yet to declare any event of default.

On 14 July 2014, at the ACB Lenders' Meeting held by ACB and ACB SPV, all the resolutions pertaining to the Proposed Disposal of LCB Bonds/RCSLS were passed with the requisite majority.

In the preparation of this Circular, 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.

For illustration purposes, the PV of the ACB Sale Securities and LCB Bonds/Debt/RCSLS are computed based on the register as at 11 March 2014, and the respective YTM, adjusted to PV as at 30 November 2014.

The exchange rate for purposes of computing the allocation between the LCB Lenders shall be fixed on the last Business Day of the month preceding the Unconditional Date of the Proposed Acquisition of LCB Bonds/Debt/RCSLS based on the average buying and selling rate as quoted by Malayan Banking Berhad.

On 31 October 2014, ACB entered into the ACB SPA with the Purchaser in relation to the Proposed Disposal of LCB Bonds/RCSLS.

The purpose of this Circular is to provide the shareholders of ACB with the details of the Proposed Disposal of LCB Bonds/RCSLS and to seek the approval of the shareholders of ACB for the ordinary resolution pertaining to the Proposed Disposal of LCB Bonds/RCSLS to be tabled at the forthcoming EGM. The notice of the EGM and the Form of Proxy are enclosed together in this Circular.

The information contained in Appendix I forms part of this Circular.

**SHAREHOLDERS OF ACB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THE CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED DISPOSAL OF LCB BONDS/RCSLS AT THE FORTHCOMING EGM.**

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

Following the approval obtained from the ACB Lenders on the Proposed Disposal of LCB Bonds/RCCLS, ACB and the Purchaser had on 31 October 2014 entered into the ACB SPA to dispose of the entire ACB Sale Securities held by ACB to the Purchaser for a total cash consideration of approximately RM130.11 million, which comprised the following:

- (a) RM1.27 million NV of LCB Class B(a) Bonds with a PV RM1.04 million;
- (b) RM724.07 million NV of LCB Class B(b) Bonds with a PV RM536.20 million;
- (c) RM0.38 million NV of LCB Class B(a) RCCLS with a PV RM0.38 million; and
- (d) RM21.61 million NV of LCB Class B(b) RCCLS with a PV RM21.61 million.

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

### 2.1 ACB Consideration and the ACB Additional Final Payment

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

Settlement Date	(%)	ACB Consideration and the ACB Additional Final Payment (RM' million) <sup>(b)</sup>
(i) Within ten (10) Business Days from the date of the ACB SPA ("Refundable Deposit")	5	6.29 <sup>(a)</sup>
(ii) Upon completion of the ACB SPA ("Completion Date")	10	12.59
<b>Completion Date Payment</b>	15	18.88
(iii) On or before 31 May 2015 ("First Deferred Cash Payment") <sup>(c)</sup>	20	25.18
(iv) On or before 31 August 2015 ("Second Deferred Cash Payment") <sup>(c)</sup>	25	31.47
(v) On or before 30 November 2015 ("Final Deferred Cash Payment") <sup>(c)</sup>	40	50.35
<b>ACB Consideration</b>	<b>100</b>	<b>125.88</b>
(vi) On or before 30 November 2015 ("ACB Additional Final Payment")		<b>4.23</b>
<b>Total ACB Consideration</b>		<b>130.11</b>

**Notes:**

- (a) *The Refundable Deposit, which was paid to RHB Trustee Berhad (formerly known as OSK Trustee Bhd) as Stakeholder on 12 November 2014, will be released to ACB on the 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/Debt/RCSLS based on PV as at the Definitive Date.

**"B"** is the total LCB Bonds/Debt/RCSLS 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 six per cent (6%) per annum 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, 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 followed by 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 payment 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 the 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 the 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:

- (a) any proposal for the deferment of the LCB Bonds/Debt/RCSLS;
- (b) waiver and/or indulgence of the defaults and/or declaration of events of defaults in relation to Megasteel Sdn Bhd (“**Megasteel**”), 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
- (c) 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/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 the “**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/Debt/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, the 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 in the 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, the Final Deferred Cash Payment and the ACB Additional Final Payment.

As disclosed above, 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 the ACB Additional Final Payment in accordance with the ACB PSSA.

## 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 ("**Proposed Amendments**"), which was obtained on 14 July 2014;
- (ii) the approval by the shareholders of ACB at the forthcoming EGM;
- (iii) approval of the 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) 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));
- (vi) 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**"), which was obtained on 14 July 2014;

<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.

The Proposed LCB Term-out is conditional upon the completion of the SPA pursuant to the Proposed Acquisition of LCB Bonds/Debt/RCSLS.

- (vii) 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**"), which was obtained on 14 July 2014; and

- (viii) 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 are not obtained by the Cut-Off Date or such extended 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 the MOD, 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 in the event that the condition precedent on the Proposed LCB Term-Out as set out in Section 2.3.1(vi) above is fulfilled.

#### **2.5 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 LCB Facility Agreement, the LCB Trust Deed, the LCB RCSLS Trust Deed and the LCB 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 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 RCSLS Holders shall not take any step or action to convert the LCB RCSLS into ordinary shares as permitted under the Articles of Association of LCB.

#### **2.6 Basis of arriving at the ACB Consideration and ACB Additional Final Payment**

The aggregate of the Purchase Consideration and the Additional Final Payment of RM246 million was arrived at after negotiations between the LCB Lenders and the Purchaser taking into consideration the following:

- (i) LCB is now an affected listed issuer pursuant to Practice Note 17 of Bursa Securities' MMLR as the auditors have expressed an emphasis of matter on the LCB Group's ability to continue as a going concern in the audited consolidated financial statements for the FYE 30 June 2013 and the shareholders' equity of LCB on a consolidated basis as at 30 June 2013 is less than fifty per cent (50%) of the issued and paid-up capital of LCB;



- (ii) LCB has been in a loss-making position for the past 5 years. For the FYE 30 June 2013, LCB's consolidated net loss attributed to owners (after non-controlling interests) stood at RM245.62 million; and
- (iii) Based on the latest audited consolidated financial statements for the FYE 30 June 2014, LCB has recorded a consolidated shareholders' deficit of RM286.07 million and reported a consolidated net loss of RM507.07 million.

The ACB Consideration and the ACB Additional Final Payment of RM130.11 million are provided for illustration purposes and derived at based on the Assumptions as set out in Section 1 of this Circular.

## 2.7 Utilisation of proceeds

The ACB Consideration and the ACB Additional Final Payment are 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 the 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 RM1.00/USD1.00 PV ACB Class B Bonds/Debts for RM1.00/USD1.00 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 Bonds/SPV Debts 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/RCSLS, the interest of six per cent (6%) per annum on the Deferred Cash Payments shall accrue to the ACB Class B Lenders.

## **2.8 Original cost of investment and date of investment**

ACB's original cost of investment for the ACB Sale Securities was approximately RM259 million. ACB made the investments in LCB Bonds and LCB RCSLS on 14 March 2003 and 27 February 2009 respectively.

## **2.9 Estimated loss arising from the Proposed Disposal of LCB Bonds/RCSLS**

The LCB Bonds/RCSLS held by ACB Group had been impaired by RM410 million to its recoverable amount of RM130 million as at 30 June 2014. As such, the Proposed Disposal of LCB Bonds/RCSLS is not expected to have a material impact to the financial position of ACB Group.

## **2.10 Liabilities, contingent liabilities and guarantee to be assumed**

There are no liabilities, contingent liabilities and guarantee to be assumed by the Purchaser pursuant to the Proposed Disposal of LCB Bonds/RCSLS.

## **2.11 Information on the Purchaser**

TSWC, a Malaysian, aged 71, was appointed to the Board of LCB on 27 September 1972 and has been the Managing Director of LCB since 1973 and the Chairman since 1977.

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

TSWC, who is the Chairman and a substantial shareholder of ACB, is also the Chairman, the Managing Director and a major shareholder of LCB.

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

The LCB Lenders who have decided not to dispose of their 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 acquisition of the ACB Sale Securities, notwithstanding the acceptances amount to less than one hundred per cent (100%) ("**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 the 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 an LCB Lender pursuant to the Decided Purchases only on the following matters:

- (a) 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 de-listing of LCB from the Main Market of Bursa Securities, if any; and
- (b) 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/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 approval of the LCB Lenders which was obtained on 14 July 2014 and the approval of the SC on the Proposed Amendments to be obtained by LCB; and
- (ii) The approval of the LCB Lenders on the Proposed LCB Term-Out which was obtained on 14 July 2014.

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. RATIONALE OF THE PROPOSED DISPOSAL OF LCB BONDS/RCSLS**

The rationale for the Proposed Disposal of LCB Bonds/RCSLS are as follows:

- (a) Currently, the ACB Sale Securities held by ACB are charged to the ACB Lenders and ACB has defaulted in the payment of the ACB Bonds and the ACB SPV Debts.

The ACB Lenders had on 14 July 2014, at the ACB Lenders' Meeting held by ACB and ACB SPV, approved all the resolutions pertaining to the Proposed Disposal of LCB Bonds/RCSLS with the requisite majority.

As at todate, the ACB Lenders have yet to declare any event of default of the outstanding payment of the ACB Bonds and ACB SPV Debts. The ACB Lenders could declare an event of default and enforce the securities created pursuant to the GWRS in 2003 and CDRS in 2009 including the charged LCB Bonds/RCSLS which are the subject matter of the Proposed Disposal of LCB Bonds/RCSLS and in this relation, the ACB Lenders may recover the debts from ACB by way of, for example, a sale of the LCB Bonds/RCSLS.

- (b) Upon completion of the Proposed Disposal of LCB Bonds/RCSLS, ACB is no longer an LCB Lender. As such, the Proposed LCB Term-Out as approved by the LCB Lenders under Section 2.3.1(vi) will no longer be relevant to ACB, but to its assignee, namely the ACB Lenders, pursuant to the assignment by way of sale referred to in Section 2.2.

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

There is no assurance that the Purchaser will be able to pay the amounts owing to ACB Lenders pursuant to the assignment by way of sale referred to in Section 2.2, as and when they fall due and payable.

However, the aforementioned credit risk is mitigated in such a way that in the event of default of any of the deferred payments by the Purchaser, including the First Deferred Cash Payment, the Second Deferred Cash Payment, the Final Deferred Cash Payment and the ACB Additional Final Payment, the ACB Lenders shall be entitled to enforce its rights under the MOD in respect of the Charged Securities to recover the outstanding amount due and owing on these payments.

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

##### **6.1. Share Capital and Substantial Shareholders' Shareholdings**

The Proposed Disposal of LCB Bonds/RCSLS will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholdings in ACB as it does not involve any issuance of shares by ACB.

## 6.2. Earnings and Earnings per Share (“EPS”)

The Proposed Disposal of LCB Bonds/RCSLS is not expected to have a material impact on the earnings and EPS of the ACB Group for the financial year ending 30 June 2015.

## 6.3. NL and NL per Share

On a proforma basis, the Proposed Disposal of LCB Bonds/RCSLS is not expected to have a material impact on the NL and NL per share of the ACB Group based on the audited consolidated statement of financial position of ACB as at 30 June 2014.

## 7. APPROVALS REQUIRED FOR THE PROPOSED DISPOSAL OF LCB BONDS/RCSLS

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

- (i) the approval of the ACB Lenders, which was obtained on 14 July 2014;
- (ii) the approval of the shareholders of ACB;
- (iii) the approval of the LCB Lenders in relation to the Proposed Amendments, which was obtained on 14 July 2014;
- (iv) the approval of the SC in relation to the Proposed Amendments; and
- (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.

## 8. DIRECTORS’ INTEREST

TSWC, who is the Chairman and a substantial shareholder of the Company, is the purchaser of the ACB Sale Securities and hence, does not consider himself independent in respect of the Proposed Disposal of LCB Bonds/RCSLS (“Interested Director”).

Save as disclosed above, none of the other Directors of ACB has any interest, direct or indirect, in the Proposed Disposal of LCB Bonds/RCSLS.

The Interested Director has abstained and will abstain from all Board deliberation and voting at the meetings of the Board in respect of the Proposed Disposal of LCB Bonds/RCSLS.

The Interested Director will also abstain from voting in respect of his direct and/or indirect shareholdings in ACB on the resolution pertaining to the Proposed Disposal of LCB Bonds/RCSLS at the EGM to be convened.

As at the LPD, the shareholding of the Interested Director in ACB is as follows:

Interested Director	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
TSWC	-	-	634,485,255	47.66

## 9. TRANSACTION WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

Save for the Proposed Disposal of LCB Bonds/RCSLS, there was no other transaction entered into between the Company and the Purchaser during the twelve (12) months preceding the LPD.

**10. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee of the Company, after having considered all relevant aspects of the Proposed Disposal of LCB Bonds/RCSLS including the current financial position of the LCB Group, the rationale and financial effects in relation to the Proposed Disposal of LCB Bonds/RCSLS, is of the opinion that the Proposed Disposal of LCB Bonds/RCSLS is in the best interest of the Company, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the non-interested shareholders of the Company.

**11. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board (save for the Interested Director), after having considered all relevant aspects of the Proposed Disposal of LCB Bonds/RCSLS including the current financial position of the LCB Group, the rationale and financial effects in relation to the Proposed Disposal of LCB Bonds/RCSLS, is of the opinion that the Proposed Disposal of LCB Bonds/RCSLS is in the best interest of the Company.

Accordingly, the Board (save for the Interested Director) recommends that shareholders of ACB vote in favour of the resolution in respect of the Proposed Disposal of LCB Bonds/RCSLS to be tabled at the forthcoming EGM.

**12. ESTIMATED TIME FRAME FOR COMPLETION**

Barring unforeseen circumstances, the Proposed Disposal of LCB Bonds/RCSLS is expected to be completed by the first (1<sup>st</sup>) quarter of 2015.

**13. EGM**

The EGM, the Notice of which is enclosed with this Circular, will be held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur on 18 December 2014 at 11.30a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution relating to the Proposed Disposal of LCB Bonds/RCSLS.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the Office of the Registrar of the Company no later than forty-eight (48) hours before the time for holding the EGM. The completion and lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Yours faithfully  
For and on behalf of the Board  
**ACB RESOURCES BERHAD**

**LT. JEN (B) DATUK SERI ABDUL MANAP BIN IBRAHIM**  
Director

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**APPENDIX I - FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

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

**2. MATERIAL CONTRACTS**

Save as disclosed below, ACB and its subsidiaries have not entered into any material contract outside the ordinary course of business, within two (2) years immediately preceding the date of this Circular:

- (i) Letter of Offer dated 26 June 2014 from Tan Sri Cheng Heng Jem offering to acquire from ACB Resources Berhad the entire bonds and/or redeemable convertible secured loan stocks issued by Lion Corporation Berhad ("LCB Bonds" and "LCB RCSLS" respectively) (excluding the Tan Sri Cheng Heng Jem's holding in the LCB RCSLS and the balance outstanding LCB RCSLS under the put and call option agreement dated 13 March 2009 executed between Tan Sri Cheng Heng Jem and ACB Resources Berhad) held by ACB Resources Berhad for the consideration of approximately RM125,879,500.00 and the additional final payment of approximately RM4,231,244.00 upon the terms and conditions therein contained.
- (ii) Conditional Sale and Purchase Agreement dated 31 October 2014 entered into between ACB Resources Berhad and Tan Sri Cheng Heng Jem for the acquisition by Tan Sri Cheng Heng Jem of the entire bonds and redeemable convertible secured loan stocks issued by Lion Corporation Berhad ("LCB Bonds" and "LCB RCSLS" respectively) (excluding the Tan Sri Cheng Heng Jem's holding in the LCB RCSLS and the balance outstanding LCB RCSLS under the put and call option agreement dated 13 March 2009 executed between Tan Sri Cheng Heng Jem and ACB Resources Berhad) held by ACB Resources Berhad for the consideration of approximately RM125,879,500.00 and the additional final payment of approximately RM4,231,244.00 upon the terms and conditions therein contained.

**3. MATERIAL LITIGATIONS**

ACB and its subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and as at the date of this application, the Directors of ACB are not aware of any proceedings pending or threatened against ACB and its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the ACB and its subsidiaries.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by shareholders of the Company at the Registered Office of the Company at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Memorandum and Articles of Association of ACB;
- (ii) Audited financial statements of ACB for the past two financial years ended 30 June 2013 and 30 June 2014;
- (iii) Audited financial statements of LCB for the past two financial years ended 30 June 2013 and 30 June 2014, and the unaudited consolidated interim financial report of LCB for the three (3) months ended 30 September 2014; and
- (iv) Material contracts as set out in Section 2 of this Appendix.



**ACB RESOURCES BERHAD** (20667-M)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of ACB Resources Berhad (“**ACB**” or the “**Company**”) will be held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur on 18 December 2014 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following as an Ordinary Resolution:

### **ORDINARY RESOLUTION – PROPOSED DISPOSAL OF LCB BONDS/RCSLS**

**THAT** subject to the approval being obtained from the relevant authorities, authority be and is hereby given to the Company to dispose of the following to Tan Sri William H.J. Cheng (“**TSWC**”) and/or his nominees pursuant to the terms and subject to the conditions stipulated in the conditional Sale and Purchase Agreement dated 31 October 2014 entered into between the Company and TSWC, for a total cash consideration of approximately RM130.11 million (“**Proposed Disposal of LCB Bonds/RCSLS**”):

- (a) RM1,266,149 nominal value of zero-coupon redeemable secured Class B(a) Bonds issued by Lion Corporation Berhad (“**LCB**”) on 14 March 2003 with maturity date of 31 December 2019 and a present value as at 30 November 2014 of RM1,041,804;
- (b) RM724,073,532 nominal value of zero-coupon redeemable secured Class B(b) Bonds issued by LCB on 14 March 2003 with maturity date of 31 December 2020 and a present value as at 30 November 2014 of RM536,195,566;
- (c) RM382,614 nominal value of 5% Class B(a) coupon redeemable convertible secured loan stocks issued by LCB on 27 February 2009 with maturity date of 31 December 2015 and a present value as at 30 November 2014 of RM382,614; and
- (d) RM21,608,401 nominal value of 7% Class B(b) coupon redeemable convertible secured loan stocks issued by LCB on 27 February 2009 with maturity date of 31 December 2015 and a present value as at 30 November 2014 of RM21,608,401.

**AND THAT** the Directors be and are hereby authorised to do all such acts and things and to execute all necessary documents, to give full effect to and complete the Proposed Disposal of LCB Bonds/RCSLS 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 and complete the Proposed Disposal of LCB Bonds/RCSLS.

By Order of the Board

**CHAN POH LAN**  
**WONG PHOOI LIN**  
Secretaries

Kuala Lumpur  
3 December 2014

**Notes:**

- (a) *In respect of deposited securities, only Members whose names appear in the Register of Members and the Record of Depositors on 11 December 2014 shall be eligible to attend the Meeting.*
- (b) *A member entitled to attend and vote at the Extraordinary General Meeting of the Company 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.*
- (c) *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.*
- (d) *Completed Form of Proxy sent through facsimile transmission shall not be accepted.*





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AFFIX  
STAMP

The Share Registrar  
**ACB RESOURCES BERHAD (20667-M)**  
Secretarial Communications Sdn Bhd  
Level 13, Lion Office Tower  
No. 1 Jalan Nagasari  
50200 Kuala Lumpur  
Malaysia

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MALAYSIA  
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**Secretarial Communications Sdn Bhd (92040-W)**  
Level 13, Lion Office Tower  
No. 1, Jalan Nagasari  
50200 Kuala Lumpur