

20 September 2019

**Sage 3 Capital Sdn Bhd**

No. 2 & 4, 2<sup>nd</sup> Floor, Jalan Medan Setia 2,  
Plaza Damansara,  
Bukit Damansara  
50490 Kuala Lumpur

Dear Dato' Derrick,

**Re : Megasteel Sdn Bhd ("Megasteel") – RM4 billion Debt Restructuring**

Our collaborative journey with Sage 3 started about four years ago under the purview of CDRC to assist us with a viable debt restructuring of Megasteel. With Sage 3's specialist input and guidance, we were able to submit a viable and equitable Debt Restructuring Proposal to CDRC and the Creditor Banks.

After four years of tough negotiations, our joint efforts finally culminated with unanimous approval from Secured Creditors for the Debt Restructuring Scheme at the Court Convened meeting on 10<sup>th</sup> July 2019. Notably, even the Unsecured Creditors also voted overwhelmingly (99.4%) in favour of the scheme. Your professional and independent conduct in chairing both meetings undoubtedly contributed to the successful outcome. This achievement was clearly the result of CDRC's support and Sage 3's vast experience and specialist skills as well as your dedication and commitment to the task on hand.

On behalf of the Board and Management, I would like to express our heartfelt thanks and appreciation for your firm's assistance and guidance throughout this challenging period.

We are heartened by the close relationship that the Sage 3 team of Ravi, Davin and Shaun have built with our Lion team which is expected to continue. We still have to obtain LICB shareholders' approval which our management and advisors are working earnestly on.

The Lion Group certainly looks forward to returning a major national asset to productive use that will add value and contribute to the advancement of our steel industry and the nation.

Once again, we would like to thank Sage 3 for the exceptional work and expert guidance in assisting us to achieve such a satisfactory outcome.

Yours faithfully,

**MEGASTEEL SDN BHD**

A handwritten signature in blue ink, appearing to read "TAN SRI ALBERT CHENG".

**TAN SRI ALBERT CHENG**

Director

**MEGASTEEL SDN BHD (181104-T)**

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