



General Announcement

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Submitted

Company Information

Main Market Company	
New Announcement	
Submitting Investment Bank/Advisor (if applicable)	CIMB INVESTMENT BANK BERHAD
Submitting Secretarial Firm (if applicable)	
* Company name	HONG LEONG BANK BERHAD
* Stock name	HLBANK
* Stock code	5819
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Type * Announcement

Subject *: HONG LEONG BANK BERHAD (%HLBB%)

PROPOSED ACQUISITION OF THE ENTIRE ASSETS AND LIABILITIES OF EON CAPITAL BERHAD (%EON CAP%) (%PROPOSED ACQUISITION%)

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

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Announcement Details :-

(This field is for the details of the announcement, if applicable)

On behalf of the Board of Directors of HLBB, CIMB Investment Bank Berhad wishes to announce that HLBB had, pursuant to various discussions with EON Cap, issued 2 letters dated 18 June 2010 and 19 June 2010 to EON Cap clarifying or modifying the offer by HLBB to acquire the entire assets and liabilities of EON Cap.

Further details of the announcement is enclosed.

This announcement is dated 21 June 2010.

Attachment(s):- (please attach the attachments here)

[Ann - 21062010.pdf](#)

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:

HONG LEONG BANK BERHAD (“HLBB”)

PROPOSED ACQUISITION OF THE ENTIRE ASSETS AND LIABILITIES OF EON CAPITAL BERHAD (“EON CAP”) (“PROPOSED ACQUISITION”)

We refer to our announcements dated 30 March 2010, 1 April 2010, 2 April 2010 and 23 April 2010 in relation to, amongst others, the Proposed Acquisition.

On behalf of the Board of Directors of HLBB, CIMB Investment Bank Berhad wishes to announce that HLBB had, pursuant to various discussions with EON Cap, issued 2 letters dated 18 June 2010 and 19 June 2010 to EON Cap clarifying or modifying the offer by HLBB to acquire the entire assets and liabilities of EON Cap (~~%Offer+~~) as set out below:

1. Timeline and Approvals

The timeline for the Proposed Acquisition shall be as follows:

- (a) EON Cap shall accept the Offer no later than 1 business day immediately following the date after the last of the approvals for the Offer have been obtained from Bank Negara Malaysia (~~%BNM+~~)/the Minister of Finance, the shareholders of EON Cap and HLBB and the Securities Commission, upon terms and conditions acceptable to HLBB (~~%Approvals+~~);
- (b) Following acceptance of the Offer by EON Cap and receipt of the Approvals, the completion date for the transfer of the assets and liabilities of EON Cap (~~%Completion Date+~~) shall be within 30 days after receipt by HLBB of the acceptance of the Offer by EON Cap (~~%Completion Period+~~). If the Completion Date is after 7 days from the receipt of the acceptance of the Offer, then interest at the rate of 3% per annum is payable by HLBB after the 7th day on the outstanding purchase consideration for the Offer of RM5,060,423,743.60 (~~%Offer Price+~~). If the Completion Date cannot fall within the Completion Period, HLBB is entitled to request for an extension of 14 days from the expiry of the Completion Period and EON Cap shall grant such extension accordingly subject to the payment of interest at the rate of 5% per annum on the outstanding Offer Price commencing from the expiry of the Completion Period. For the avoidance of doubt, no interest shall be payable by HLBB in the event that the Completion Date falls within 7 days from the receipt by HLBB of the acceptance of the Offer by EON Cap.

The obligation of HLBB to complete the Proposed Acquisition is subject to the provisions of the letter of offer dated 1 April 2010. There is no obligation on HLBB to pay the interest as stated above where the delay in the payment of the Offer Price by HLBB is otherwise than by reason of HLBB's default or where HLBB is not obliged to complete the Proposed Acquisition.

- (c) If all the Approvals, on terms and conditions acceptable to HLBB, are not obtained by 15 August 2010, HLBB reserves the right to withdraw the Offer.

2. Deposit

Within 2 business days of receipt of the acceptance of the Offer by EON Cap in accordance with the terms of the Offer, HLBB shall pay a deposit (~~%Deposit+~~) of RM25,000,000 to its solicitors. HLBB has authorised its solicitors to:

- (a) release the Deposit to EON Cap in the event that the Approvals have been obtained on terms and conditions acceptable to HLBB and HLBB has failed or is unable to pay the Offer Price in accordance with the terms of the Offer for reasons solely attributable to HLBB's default; or
- (b) release the Deposit to HLBB in the event that HLBB has made full payment of the Offer Price or that the Approvals on terms and conditions acceptable to HLBB have not been obtained by 15 August 2010 or that HLBB is unable or is not obliged to complete the Proposed Acquisition or for reasons not attributable to its default.

3. Assets and Liabilities

- (a) Subject to paragraph (b) below, the latest unaudited management accounts of EON Cap (group level) and the latest audited management accounts of EON Cap (company level) made up to a date closer to the completion of the transaction shall be used to reflect the assets and liabilities of EON Cap, including all reasonable transaction expenses incurred until Completion Date.
- (b) HLBB shall, subject to the terms of the Offer and provided that HLBB has verified such creditors' amounts as it may require, acknowledge the creditors of EON Cap unpaid as at 18 June 2010. EON Cap shall obtain the prior approval of HLBB prior to incurring any amount exceeding the sum as agreed between EON Cap and HLBB.

4. Completion Procedures

Without prejudice to the generality of the provisions set out in HLBB's letter of offer dated 1 April 2010, HLBB agrees that on Completion Date, the following shall take place:

4.1 EON Cap's Obligations

- (a) Deliver to HLBB:
- A duly executed instrument of transfer of the shares in EON Bank Berhad (~~EON Bank~~) in favour of HLBB or its nominee (which has received all regulatory approvals), together with the respective original share certificates and duly completed Borang PDS 6 together with the audited accounts of EON Bank for the preceding 3 years;
 - A duly executed deed of assignment for the transfer of titles to and interests in all other assets of EON Cap; and
 - The resignation letters of such directors of EON Bank and other subsidiaries (as may be requested by HLBB to resign) with effect from such date as may be requested by HLBB subject to BNM's approval and waiver of any claims or any other compensation for loss of office.
- (b) Deliver to HLBB, certified as correct by the secretary of EON Bank, the minutes of an EON Bank board meeting whereby there shall have been passed resolutions to:
- Register the transfer of EON Bank's shares and (subject only to due stamping) to register, in the register of members, HLBB or its nominee as the holder of such shares, and to issue new share certificate in the name of HLBB in exchange for the cancellation of the old share certificate; and
 - Appoint as directors of EON Bank such persons as HLBB may nominate, each such appointment to take effect at Completion Date, subject to BNM's approval.
- (c) Deliver to HLBB original documents in connection with the assets and liabilities, original issue document of title to the real properties and corporate documents, statutory books and accounts of EON Cap's subsidiaries.

4.2 HLBB's Obligations

Pay the Offer Price to EON Cap in immediately available funds into an account to be designated in writing by EON Cap.

5. Condition to the Offer

The following condition of the Offer is revised as follows:

Existing condition of the Offer	Modified condition of the Offer
<i>since the latest announced results for the financial year ended 31 December 2009 to the Completion Date, no contingent liability has arisen and no adverse change has occurred in respect of the financial position or profits of EON Cap and its subsidiaries which, in aggregate, would be considered as material. For this purpose, "material" means RM100 million or more</i>	<i>since the latest announced results for the quarter ended 31 March 2010 to the Completion Date ("Said Period"), no contingent liability has arisen and no adverse change has occurred in respect of the financial position or profits of EON Cap and its subsidiaries, which would, in aggregate or after taking into account the changes in consolidated profit after tax or the consolidated net tangible asset for the Said Period, amount to or exceed RM100 million</i>

6. Payments to Directors, Officers and Employees

From the date of acceptance of the Offer by EON Cap until the Completion Date, no member of the EON Cap group shall, amongst others, pay or agree to pay to its directors, officers or employees or any of them any remuneration or other emoluments or benefits whatsoever (other than what they have been receiving as at the date of the Offer and other than normal annual increments and bonuses) or change any of the policies or arrangements of any members of the EON Cap group involving staff remuneration and terms of employment existing as at the date of the Offer or any other payments including severance and loyalty payments, without the prior approval in writing of the co-ordination committee, which approval shall not be unreasonably withheld.

An aggregate sum of up to RM25 million will be set aside by EON Bank in the event of any severance and loyalty payments agreed by the co-ordination committee.

There shall be no reduction in compensation and benefits of the employees of EON Bank and its subsidiaries (EON Bank Group) from the date EON Bank becomes a subsidiary of HLBB for a period of 1 year from the Completion Date.

7. Stamp Duty

HLBB agrees to bear all stamp duty costs associated with the Proposed Acquisition.

8. Occupation of Menara EON Bank

HLBB agrees to EON Cap's request to continue with occupation of its current office premises on the 12th Floor of Menara EON Bank (other than the common areas) without any rental charges for a period of up to 12 months from the date of EON Cap's acceptance of the Offer. For the avoidance of doubt, utility, outgoing, insurance, maintenance and services charges and costs in respect of the said demised premises shall be borne by EON Cap. EON Cap shall keep the demised premises in similar condition and repair as of Completion Date (fair wear and tear excepted), shall permit HLBB or its agent at all convenient times and after reasonable notice to enter upon the demised premises and examine the condition and shall not sub-let or otherwise part with possession of the demised premises.

The above terms shall be read in conjunction with and shall form part of the terms and conditions of the Offer.

This announcement is dated 21 June 2010.