

LION DIVERSIFIED HOLDINGS BERHAD (9428-T)
(Incorporated in Malaysia)

MATERIAL LITIGATION

Classic Maritime Inc.'s claim against Lion Diversified Holdings Berhad (the "Company" or "LDHB") and Limbungan Makmur Sdn Bhd (a wholly-owned subsidiary of Lion DRI Sdn Bhd, which in turn is a wholly-owned subsidiary of LDHB) for non-performance of 7 shipments under contract of affreightment dated 29 June 2009 in the United Kingdom Courts

With regret, the Board of LDHB hereby announce that on 28 June 2019, the United Kingdom solicitors of LDHB informed the Company that the United Kingdom Court of Appeal (Appeal Reference A4/2018/2365) had on 27 June 2019, allowed Classic Maritime Inc.'s appeal against the 13 September 2018 decision of the London High Court of Justice (Claim No: CL-2016-000421) and ordered, *inter alia*, the following against LDHB and Limbungan Makmur Sdn Bhd ("Limbungan Makmur"):

1. to pay damages of US\$19,869,573 and interest of US\$2,634,058 up to and including 27 June 2019;
2. further interest on the amount of US\$22,503,631 at the US\$ prime rate from time to time until payment;
3. 80% of Classic Maritime Inc. costs in the London High Court (to be assessed if not agreed) with interim payment of costs of £350,000;
4. repayment of costs paid by Classic Maritime Inc. of £619,300.51 together with interest in the sum of £12,504.88; and
5. costs of appeal (to be assessed if not agreed) with interim payment of costs of appeal of £70,000.

In this regard, LDHB and Limbungan Makmur have instructed its United Kingdom solicitors to file an application to the United Kingdom Supreme Court seeking permission to appeal against the above decision.

The Board of LDHB are also in the process of obtaining advice of its United Kingdom solicitors on the impact of the above decision on the 2nd claim by Classic Maritime Inc. against LDHB and Limbungan Makmur in London High Court of Justice (Claim No: CL-2018-000352) for damages of US\$83,152,218.10 arising from non-performance of 14 unscheduled shipments which allegedly should have been performed by 31 December 2017 pursuant to the contract of affreightment dated 29 June 2009.

This announcement is dated 2 July 2019.