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Attorneys for the Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:	
<b>IN RE:</b>	:	<b>Chapter 11</b>
	:	
<b>ARCAPITA BANK B.S.C.(c), et al.,</b>	:	<b>Case No. 12-11076 (SHL)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	
-----X	:	

**NOTICE OF FILING OF ORDER ENTERED BY  
THE GRAND COURT OF THE CAYMAN ISLANDS**

**PLEASE TAKE NOTICE** that, on May 31, 2013, the Grand Court of the Cayman Islands entered an order (the "***Cayman Order***") in connection with the *Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c), and Related Debtors Under Chapter 11 of the Bankruptcy Code*, as it relates to Arcapita Investment Holdings Limited. **PLEASE TAKE FURTHER NOTICE** that, the Debtors hereby file the Cayman Order. A copy of the Cayman Order is attached hereto as Exhibit 1.

Dated: New York, New York  
June 4, 2013

Respectfully submitted,

/s/ Michael A. Rosenthal

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**EXHIBIT 1**

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FSD CAUSE NO. 45 OF 2012 – ASCJ

FINANCIAL SERVICES DIVISION

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION) (THE "LAW")

AND IN THE MATTER OF ARCAPITA INVESTMENT HOLDINGS LIMITED (THE  
"COMPANY")

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ORDER

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UPON the Application by the Company dated 14 May 2013 coming on for hearing;

AND UPON hearing Leading Counsel for the Company;

AND UPON hearing Counsel for Gordon MacRae and Simon Appell, the joint provisional liquidators of the Company (the "JPLs");

AND UPON reading the First Affidavit of Henry Thompson sworn on 14 May 2013, the Affidavit of Matthew Kvarda sworn on 14 May 2013, the Affidavit of Bernard Douton sworn on 14 May 2013, the Affidavit of Simon Appell sworn on 24 May 2013, the Second Affidavit of Henry Thompson sworn on 29 May 2013 and the exhibits to each of the foregoing;

AND UPON the Company having filed a Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors under Chapter 11 of the Bankruptcy Code, as amended, modified or otherwise revised or supplemented dated 25 April 2013 (the "Plan");

AND UPON the Company undertaking to file such amendments or modifications to the Plan to reflect either an agreement with Standard Chartered Bank ("SCB") or to implement the terms set out at Schedule 2 of this Order, such amendments and modifications being a condition precedent to the effectiveness of this Order;

AND UPON reading the Order Pursuant to Section 105(a) of the Bankruptcy Code and bankruptcy Rule 9019, Authorizing and Approving the Settlement with Standard Chartered Bank, dated 19 October 2012 and the Order of the Grand Court of the Cayman Islands dated 23 October 2012 (together the "SCB Orders");

AND UPON the Chapter 11 vote on the Plan having occurred and having resulted in no objections from the creditors of the Company;

IT IS HEREBY ORDERED THAT:

1. The permissions granted to the Company and/or the directions given to the JPLs under the following paragraphs of this Order shall be conditional upon the confirmation of the Plan, amended as provided for at Schedule 2 of this Order, by the United States Bankruptcy Court at a Confirmation Hearing (as defined in the Plan) held for that purpose ("**Confirmation of the Plan**"), which shall be effective without further order from this Court upon Confirmation of the Plan.
2. In the event that there has been either (i) no Confirmation of the Plan by 31 August 2013 or (ii) the Effective Date as defined in the Plan (the "**Effective Date**") has not occurred by 31 December 2013 then, subject to any further order of this Court, the conditional permissions and directions contained in the following paragraphs of this Order shall terminate and cease to have any effect.
3. On the Effective Date, the Company be permitted, pursuant to the Court's inherent jurisdiction to recognise the Plan and provide assistance to the United States Bankruptcy Court, to enter into the transaction identified more particularly in Schedule 1 hereto (the "**Transaction**"). The Plan and the order of the United States Bankruptcy Court confirming the Plan, including without limitation the terms of the Plan and such order in connection with or related to the proposed Debtor-in-Possession Murabaha facility, or the proposed exit Murabaha facility with Goldman Sachs International, are hereby recognised.
4. Pursuant to s.99 of the Law, no disposition of the Company's property or other transaction by the Company effected pursuant to the Plan, the order of the United





States Bankruptcy Court confirming the Plan or the Transaction shall be void in the event that the Company is wound up.

5. On the Effective Date and following completion of the Transaction, the Company be permitted, pursuant to the Court's inherent jurisdiction to recognise the Plan and provide assistance to the United States Bankruptcy Court, to remit to the appropriate disbursing agent in the State of New York the shares, warrants and other assets provided to the Company as consideration under the Transaction and which the Company will then hold (the "AIHL Consideration") for the purpose of the AIHL Consideration being applied in accordance with the terms of the Plan.

Dated 31<sup>st</sup> day of May 2013

Filed 31<sup>st</sup> day of May 2013



THE HONOURABLE CHIEF JUSTICE  
JUDGE OF THE GRAND COURT  
FINANCIAL SERVICE DIVISION

SCHEDULE 1

THE TRANSACTION

The sale on the Effective Date of all of the assets to which the Company has a legal or equitable title, wherever located, including but not limited to any and all claims and causes of action of any nature or type whatsoever, including causes of action under chapter 5 of the Bankruptcy Code, to New Arcapita Holdco 2 (as defined in the Plan), which will, on or prior to the Effective Date, be incorporated as a limited liability company in Delaware in consideration for:

- (a) the receipt by the Company of:
  - (i) the AIHL Sukuk Obligations (as defined in Appendix A to the Plan);
  - (ii) the New Arcapita AIHL Class A Shares (as defined in Appendix A to the Plan);
  - (iii) the New Arcapita AIHL Ordinary Shares (as defined in Appendix A to the Plan); and
  - (iv) the New Arcapita Creditor Warrants (as defined at paragraph 136 of Appendix A to the Plan); and
- (b) the assumption by New Arcapita Holdco 2 of AIHL's obligations:
  - (i) under the Superpriority Debtor-in-Possession Master Murabaha Agreement dated as of 14 December 2012 by and between AIHL and CF ARC LLC, as Investment Agent, or the replacement Superpriority Debtor-in-Possession and Exit Facility Master Murabaha Agreement to be executed between AIHL and Goldman Sachs International as Investment Agent, together with all mortgages, documents, notes, instruments and any other agreements delivered pursuant thereto or in connection therewith;



- (ii) under the Master Murabaha Agreement dated 22 December 2011 by and between Arcapita Bank B.S.C.(c) and Standard Chartered Bank as Investment Agent, together with all mortgages, documents, notes, instruments and any other agreements delivered pursuant thereto or in connection therewith;
- (iii) under the Master Murabaha Agreement dated 30 May 2011 by and between Arcapita Bank B.S.C.(c) and Standard Chartered Bank as Investment Agent, together with all mortgages, documents, notes, instruments and any other agreements delivered pursuant thereto or in connection therewith; and
- (iv) to make the payments to SCB set forth herein on the Effective Date and any Disputed Amount following a Joint Instruction or Bankruptcy Court Determination and any other payments mutually agreed by SCB and the Debtors.
- (v) each as to be more fully described in the Plan.





SCHEDULE 2

Unless otherwise expressly agreed in writing by SCB and the Debtors as defined at paragraph 5 of the First Affidavit of Henry Thompson dated 14 May 2013 (the "**Debtors**"), the Debtors shall make the following amendments or modifications which are a condition precedent to the effectiveness of this Order:

- (a) On the Effective Date, the reorganised Debtors shall pay SCB on account of the SCB Facilities (defined in the SCB Order) in cash an amount equal to the sum of (a) \$96,610,310.28 plus (b) all unpaid post-petition profit through and including the Effective Date in the amount of \$500,097.08 per month for the period from 19 March 2012 through and including the Effective Date, plus (c) reimbursement of all reasonable and documented fees and expenses incurred by SCB through and including the Effective Date, less (d) the amount of post-petition profit subject to the Committee Challenge Right (as defined in the SCB Order) under the SCB Order (the "**Disputed Amount**");
- (b) The Committee Challenge Right shall not be cancelled or released and shall remain exercisable by the Committee or the Committee's designee and need not be exercised in connection with confirmation of the Plan. In accordance with the SCB Order, the Debtors shall oppose any assertion of the Committee Challenge Right and support SCB's right to retain the full Disputed Amount;
- (c) On the Effective Date, the reorganised Debtors shall fund a cash reserve in an amount equal to the Disputed Amount plus \$1 million (the "**Cash Reserve**") for SCB's reasonable and documented fees and expenses anticipated to be incurred in connection with the litigation of the Disputed Amount. The Cash Reserve shall be maintained in an escrow account held by JPMorgan Chase N.A. or Wells Fargo Bank N.A. (or any other party or financial institution mutually acceptable to the Parties) (the "**Reserve Account**"). If, subsequent to the Effective Date, a consensual agreement is reached with SCB on resolution



of the issues related to the Disputed Amount, the Cash Reserve shall be released as provided in a joint instruction from the Debtors and SCB (the "**Joint Instruction**"); if, on the other hand, no consensual agreement is reached and a Bankruptcy Court resolution is required, the Cash Reserve shall be released as provided in the order of the Bankruptcy Court (the "**Bankruptcy Court Determination**"), provided that in all circumstances SCB shall be reimbursed for its reasonable fees and expenses from the Cash Reserve on a monthly basis; and

- (d) On the Effective Date and after receipt by SCB of the payments set forth herein and the establishment of the Cash Reserve and Reserve Account, the existing security interests and liens of SCB in the Debtors' assets and the assets of the Debtors' subsidiaries shall be released and replaced with a security interest in the Cash Reserve and Reserve Account pending the Bankruptcy Court Determination or Joint Instruction.

Notwithstanding the foregoing, SCB and the Debtors agree to continue to negotiate in good faith the terms of a comprehensive settlement involving SCB, SCB (China) Limited (Huhhot Branch) and Honiton Energy (Xilinguole) Company Limited and Honiton Energy (Baotou) Company Limited

