

Hap Seng Management Sdn Bhd (Hap Seng or the Issuer)

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Hap Seng Management Sdn Bhd ("Hap Seng" or the "Issuer")
- (2) Address : Registered Address: 21st Floor Menara Hap Seng Jalan P. Ramlee 50250 Kuala Lumpur Malaysia Business Address: 21st Floor Menara Hap Seng Jalan P. Ramlee 50250 Kuala Lumpur Malaysia
- (3) Date of incorporation: 10 July 1991
- (4) Place of incorporation : Malaysia
- (5) Business registration: 220615-X
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Investment holding and centralised treasury management function
- (10) Issued and paid-up : **Issued and fully paid-up capital as at 30 June 2018:**
share capital RM1,000,000.00 comprising 1,000,000 ordinary shares
Note: The concept of authorised share capital is no longer applicable under the Companies Act, 2016.
- (11) Structure of : As at 30 June 2018:
shareholdings and
names of

Name	No. of shares held	% of shareholding
Hap Seng Consolidated Berhad	1,000,000 ordinary shares	100

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

shareholders or, in the case of a public company, names of all substantial shareholders

(12) Board of directors :

No.	Name
1	Datuk Edward Lee Ming Foo
2	Lee Wee Yong
3	Cheah Yee Leng

(13) Disclosure of the following :

- (i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since incorporation : None

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(for issuer
incorporated
less than ten
years)

- (ii) If the issuer has: Not Applicable
been subjected
to any action by
the stock
exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(B) CORPORATE INFORMATION OF GUARANTOR

- (1) Name : Hap Seng Consolidated Berhad ("HSCB" or the "Guarantor")
- (2) Address : Registered Address: 21st Floor Menara Hap Seng Jalan P. Ramlee 50250 Kuala Lumpur Malaysia Business Address: 21st Floor Menara Hap Seng Jalan P. Ramlee 50250 Kuala Lumpur Malaysia
- (3) Date of incorporation: 24 March 1976
- (4) Place of incorporation : Malaysia
- (5) Business registration: 26877-W
number
- (6) Residence status : Resident Controlled Company

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(7) Place of listing : Bursa Malaysia

(8) Date of listing : 2 August 1978

(9) Principal activities : Investment holding.

(10) Issued and paid-up : **Issued and fully paid-up capital as at 30 June 2018:**
share capital RM2,489,681,583.00 comprising 2,489,681,583 ordinary shares

Note: The concept of authorised share capital is no longer applicable under the Companies Act, 2016.

(11) Structure of : As at 30 June 2018:

shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders

Name	No. of shares held	% of shareholding
Gek Poh (Holdings) Sdn Bhd	1,360,094,542	54.63
Affin Hwang Nominees (Asing) Sdn Bhd - Exempt AN for Lei Shing Hong Securities Limited	325,675,660	13.08
Hap Seng Insurance Services Sdn Bhd	154,364,580	6.20

(12) Board of directors :

No.	Name
1	Dato' Jorgen Bornhoft
2	Datuk Edward Lee Ming Foo
3	Lee Wee Yong
4	Cheah Yee Leng
5	Datuk Simon Shim Kong Yip
6	Lt. Gen. (R) Datuk Abdul Aziz Bin Hasan
7	Dato' Mohammed Bin Haji Che Hussein

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

8	Leow Ming Fong @ Leow Min Fong
9	Dato' Wan Mohd Fadzmi Bin Che Wan Othman Fadzilah

(13) Disclosure of the :
following

- (i) If the guarantor : None
or its board
members have
been convicted
or charged with
any offence
under any
securities laws,
corporation
laws or other
laws involving
fraud or
dishonesty in a
court of law, or
if any action
has been
initiated against
the guarantor or
its board
members for
breaches of the
same, for the
past ten years
prior to the
lodgement/
since
incorporation
(for guarantor
incorporated
less than ten
years)
- (ii) If the guarantor : None
has been
subjected to
any action by
the stock

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(C) PARTIES TO THE TRANSACTION

(a) Origination

No.	Roles	Name of parties
1	Issuer	Hap Seng Management Sdn Bhd ("HSMSB" or the "Issuer")
2	Guarantor	Hap Seng Consolidated Berhad ("HSCB" or "Guarantor")
3	Lead Arranger	Maybank Investment Bank Berhad ("Maybank IB" or the "PA/LA")
4	Principal Adviser	Maybank Investment Bank Berhad
5	Solicitors	Messrs. Adnan Sundra & Low
6	Trustee	Malaysian Trustees Berhad ("MTB" or the "Trustee")

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	HSMSB

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

2	Lead Manager	Maybank IB, and such other financial institutions to be appointed by the Issuer (if required) (referred to as Lead Manager ("LM"))
3	Facility Agent	Maybank IB
4	Central Depository	Bank Negara Malaysia ("BNM")
5	Paying Agent	BNM

(c) After distribution

No.	Roles	Name of parties
1	Issuer	HSMSB
2	Principal Adviser	Maybank Investment Bank Berhad
3	Facility Agent	Maybank IB
4	Trustee	MTB
5	Central Depository	BNM
6	Paying Agent	BNM

(D) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Unrated medium term notes ("MTNs") pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value ("MTN Programme"). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers ("CPs") programme of RM1.0 billion in nominal value ("CP Programme"), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

“Programmes”.

- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : Not applicable
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : An unrated medium term notes programme of RM5.0 billion in nominal value (“**MTN Programme**”) pursuant to which Hap Seng Management Sdn Bhd (“**HSMSB**” or the “**Issuer**”) may from time to time issue medium term notes (“**MTNs**”) provided that the aggregate outstanding nominal value of such MTNs shall not exceed RM5.0 billion at any one time.
- Pursuant to an unconditional and irrevocable corporate guarantee (“**Corporate Guarantee**”), Hap Seng Consolidated Berhad (as the “**Guarantor**”) shall guarantee all obligations of the Issuer under or in connection with the Transaction Documents in respect of the MTN Programme including the obligation to pay up to amount equivalent to the aggregate of the nominal value of the MTNs and the accrued but unpaid coupon.
- (5) Currency : Ringgit
- (6) Expected facility/ programme size : Up to MYR 5,000,000,000.00
- (7) Option to upsize (for programme) : Yes
- (8) Tenure of facility/ programme : 20 year(s)
- (9) Availability period for debt/ sukuk programme : The MTNs shall be available for issuance upon completion of the Transaction Documents and fulfillment of the conditions precedent under the MTN Programme to the satisfaction of the Lead Arranger (unless otherwise waived or deferred by the Lead Arranger) and ending on the expiry date of the MTN Programme provided that the first issuance of MTNs under the MTN Programme shall be made within sixty (60) business days from the lodgment date.
- (10) Clearing and settlement platform : PayNet

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(11) Mode of issue : ☒ Private/direct placement
☒ Bought deal
☒ Book building

(12) Selling restrictions : (i) At issuance:
☒ Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
☒ Part 1 of Schedule 7 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016
(ii) After issuance:
☒ Part 1 of Schedule 6 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016

Additional Notes:

Selling Restrictions at Issuance

The MTNs under the MTN Programme may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act 2016, as may be amended and/or substituted from time to time ("**Companies Act**"), and persons to whom an offer or invitation to subscribe the MTNs and to whom the MTNs may be made and to whom the MTNs are issued falling within Part 1 of Schedule 6 (or Section 229(1)(b)) of the Capital Markets and Services Act 2007 as amended from time to time ("**CMSA**"); and Part 1 of Schedule 7 (or Section 230(1)(b) of the CMSA), to be read together with Schedule 9 or Section 257(3) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any law, order, regulation or official directive of BNM and/or the SC from time to time.

Selling Restrictions Thereafter

The MTNs under the MTN Programme may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons to whom an offer or invitation to purchase the MTNs falling within the relevant category of the persons specified in Section 2(6) of the Companies Act, and persons to whom an offer or invitation to purchase the MTNs falling within Part 1 of Schedule 6 (or Section 229(1)(b)) of the CMSA to be read together with Schedule 9 (or Section 257(3)) of the CMSA and does not constitute an offer to the public under Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of Bank Negara Malaysia and/or the SC from time to time.

(13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
Not applicable
Size in Ringgit which are non-tradable and non-transferable:

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

Not applicable

Additional Notes:

Restricted Tradability

The MTNs shall be tradable and transferable subject to the prior approval of the Issuer (which approval shall not be unreasonably withheld or delayed and which will be deemed to have been given fifteen (15) business days after the noteholder has requested consent in writing unless consent is expressly refused within that time) and to persons falling within any of the categories of persons or in the circumstances specified under:

- Schedule 6 (or Section 229(1)(b)); read together with
- Schedule 9 (or Section 257(3)) of the CMSA, as amended from time to time, and does not constitute an offer to the public within the meaning of Section 2(6) of the Companies Act, 2016 of Malaysia.

(14) Secured/combinatio : Unsecured
n of unsecured and
secured, if
applicable

(15) Details of guarantee, : The Guarantor shall provide an unconditional and irrevocable guarantee in favour
if applicable of the Trustee (acting for and on behalf of the noteholders) ("**Corporate Guarantee**") to guarantee the Issuer's payment obligations under and in relation to the MTN Programme.

(16) Convertibility of : Non-convertible
issuance and details
of the convertability

(17) Exchangeability of : Non-exchangeable
issuance and details
of the
exchangeability

(18) Call option and : No call option
details, if applicable

(19) Put option and : No put option
details, if applicable

(20) Details of covenants : Positive Covenants

To include but not limited to the following:

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(1) Each of the Issuer and the Guarantor shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may be necessary:

(i) for each of the Issuer and the Guarantor to own its assets or to carry on its business;

(ii) for each of the Issuer and the Guarantor to enter into or perform its obligations under the Transaction Documents or to ensure the legality, validity, enforceability of the obligations of the Issuer and the Guarantor or the priority or rights of the noteholders under the Transaction Documents to which it is a party; and

(iii) to make the Transaction Documents admissible as evidence in Malaysia,

and each of the Issuer and the Guarantor shall comply with any conditions therein;

(2) Each of the Issuer and the Guarantor shall execute all such further documents and do all such further acts as the Trustee may consider necessary or expedient at any time or times to give effect to the terms and conditions of the Transaction Documents to which it is a party and/or the full benefits of all rights, powers and remedies conferred upon the Trustee in the Transaction Documents to which it is a party;

(3) Each of the Issuer and the Guarantor shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and in accordance with its constitution within the meaning given to it in the Companies Act ("Constitution");

(4) Each of the Issuer and the Guarantor shall promptly perform and carry out all its obligations under all the Transaction Documents to which it is a party (including but not limited to redeeming the MTNs on the relevant maturity date(s) or any other date on which the MTNs are due and payable) and the Issuer and/or the Guarantor shall immediately notify the Trustee in the event that it is unable to fulfill or comply with any of the provisions of the Transaction Documents to which it is a party;

(5) Each of the Issuer and the Guarantor shall keep proper books, accounts and records at all times and shall provide the Trustee and any person appointed by the it access to such books and accounts to the extent permitted by law;

(6) Each of the Issuer and the Guarantor shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer and the Guarantor respectively for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer and the Guarantor;

(7) Each of the Issuer and the Guarantor shall promptly comply with all applicable laws and regulations including the provisions of the CMA and/or any notes, circulars, conditions or guidelines issued by the SC and/or BNM from time to time

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

in relation to the MTNs and/or including any applicable anti money laundering and terrorism financing laws;

(8) The Guarantor shall procure and take such necessary actions to ensure that its relevant present and future subsidiaries shall make sufficient distributions to the Guarantor and ensure that each of them does not unnecessarily have any restrictions on ability to make such distributions to the Guarantor for it to meet all debt service obligations of the MTN Programme pursuant to the Corporate Guarantee;

(9) The Issuer shall maintain at all times a Paying Agent in Malaysia in respect of payments in relation to the MTNs in accordance with the relevant laws and regulations as provided in the Trust Deed;

(10) The Issuer shall procure that the Paying Agent shall notify the Trustee in the event that the Paying Agent does not receive payment from the Issuer and/or the Guarantor on the due dates as required under the Transaction Documents;

(11) The Issuer shall at all times ensure that it shall remain a wholly owned subsidiary of the Guarantor throughout the tenure of the MTN Programme; and the Guarantor shall at all times ensure that the Issuer remains its wholly owned subsidiary throughout the tenure of the MTN Programme, provided always that the divestment of interest in the Issuer is allowed so long as: (i) the Issuer shall remain a subsidiary of the Guarantor; and (ii) such divestment is to entities within the Guarantor's ultimate shareholder's group of companies or within the Hap Seng Group;

(12) The Issuer and the Guarantor shall preserve and maintain good and valid title to their respective properties and assets;

(13) The Issuer and the Guarantor shall ensure and shall procure that no change is made to the nature or scope of its present business which would have a Material Adverse Effect;

(14) Each of the Issuer and the Guarantor shall maintain adequate insurances necessary in respect of its assets and business against all risks which a prudent company carrying a similar business of the Issuer and the Guarantor respectively would normally insure; and

(15) Any other covenants to be in compliance with the minimum contents requirements in the SC's trust deed guidelines ("Trust Deed Guidelines") and as advised by the Solicitors and to be mutually agreed between the Issuer and PA/LA.

For the purposes of these principal terms and conditions, "**Material Adverse Effect**" means the effect of any event or circumstance which will likely materially and adversely affect: (i) the business or condition (financial or otherwise) or results of the operations or prospects of the Issuer and/or the Guarantor; (ii) the ability of the Issuer and/or the Guarantor to perform any of its obligations under any of the Transaction Documents; (iii) the validity or enforceability of the Transaction Documents; and/or (iv) the right or remedies of the Trustee or the noteholders thereunder.

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

Negative covenants

To include but not be limited to the following:

(1) Each of the Issuer and/or the Guarantor shall not create or permit to exist any encumbrances, mortgages, debenture, charges (whether fixed or floating), pledges, liens, hypothecations, right of set-off, assignments by way of security, title retention, trust arrangements for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing but excluding:

(a) any lien arising by operation of law and in the ordinary course of business and not by way of contract;

(b) existing security interest as disclosed in writing to and approved by the Lead Arranger at the date of the Transaction Documents except to the extent the principal amount secured by that existing security interest exceeds the amounts disclosed to and approved by the Lead Arranger; and

(c) any security interest created with the prior written consent of the Trustee.

For avoidance of doubt, should there be collateral or support extended to any financing taken by the Issuer, the noteholders shall have the right to ask the Issuer to extend collateral and place such noteholders to be on a pari passu basis with all other financiers of the Issuer at all times in terms of creditor ranking.

(2) the Issuer and the Guarantor shall not, either in a single transaction or a series of transactions (where the rules of aggregation set out in Chapter 10 of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("MMLR") shall apply), whether related or not and whether voluntarily or involuntarily (and shall not agree to, conditionally or unconditionally), sell, transfer, lease or otherwise dispose of or cease to exercise control over the whole or substantial part of its assets or investments unless: (a) such sale transaction is entered into in the ordinary and proper course of each of their business and at arm's length and on normal commercial terms and is permitted under the Constitution of the Issuer or the Guarantor (as the case may be); or (b) the total value of such sale transactions by the Issuer and the Guarantor in aggregate within the period of any financial year of the Issuer/Guarantor is less than fifteen per cent (15%) net assets of the Hap Seng Group (based on the latest audited consolidated accounts of the Guarantor);

(3) Each of the Issuer and the Guarantor shall not take steps to wind-up or dissolve itself;

(4) The Issuer and the Guarantor shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders or repay any financing/loans or advances to its shareholders or its related corporations, if:

(a) an Event of Default has occurred and is continuing or will occur as a result of such payment or distribution; or

(b) the requirements with respect to the Financial Covenant have not been met or

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

will not be met after such payment or distribution;

(5) Each of the Issuer and the Guarantor shall not add to, delete, vary, amend or substitute its Constitution in a manner which may be materially prejudicial to the interests of the noteholders or inconsistent with the provisions of the Transaction Documents;

(6) The Issuer shall not reduce or in any way whatsoever alter (other than by way of increase) its paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stocks, or by consolidating, dividing or sub-dividing all or any of its shares. For the avoidance of doubt, this paragraph will not apply to the Guarantor which is a public listed company in Malaysia for as long it is listed on Bursa Malaysia;

(7) The Issuer and the Guarantor shall not enter into any transaction, whether directly or indirectly with interested persons (including directors, major shareholders and chief executive) (collectively, "Interested Persons") (for the purpose of this covenant, the term "transaction" shall have the same meaning as ascribed to "related party transaction" in the MMLR unless:

(a) such transaction shall be on terms that are no less favourable to the Issuer or Guarantor (as the case may be) than those which could have been obtained in a comparable transaction from persons who are not Interested Persons (in the case of the Guarantor, if applicable);

(b) with respect to transactions involving an aggregate payment or value equal to or greater than five per cent. (5%) of the relevant percentage ratio prescribed by the MMLR (as shown in the latest audited consolidated accounts of the Guarantor) in any financial year, as provided and computed based on the MMLR, the Issuer or the Guarantor (as the case may be) obtains certification from an independent adviser (appointed by the Issuer or Guarantor) that the transaction is carried out on fair and reasonable terms;

PROVIDED THAT:

(i) the Issuer or the Guarantor (as the case may be) certifies to the Trustee that the transaction complies with sub-paragraph (a) above;

(ii) the Issuer or the Guarantor (as the case may be) has received the certification referred to in sub-paragraph (b) above (where applicable); and

(iii) the transaction has been approved by the majority of the Issuer's or the Guarantor's (as the case may be) board of directors and, where applicable the Issuer's or the Guarantor's (as the case may be) shareholders in a general meeting, as the case may require; and

(c) with respect to transactions constituting a recurrent related-party transaction ("RRPT") of a revenue or trading nature which are provided for and permitted under the MMLR:

PROVIDED THAT the Issuer or the Guarantor (as the case may be) certifies to the Trustee that the transaction complies with sub-paragraph (a) above, that the Issuer or the Guarantor (as the case may be) has obtained or renewed (where applicable), the shareholders' mandate in accordance with the MMLR and that the

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

Issuer or the Guarantor (as the case may be) furnishes at least one (1) certificate to the Trustee in respect of the RRPT contemplated under one shareholders' mandate;

(8) The Issuer shall not utilise or allow the utilisation of the proceeds from the MTNs for any purposes other than for the purposes set out in the Transaction Documents and the relevant pricing supplement; where it sets out a specific purpose for which proceeds are to be utilised;

(9) Each of the Issuer and the Guarantor (and the Guarantor shall ensure and procure that its subsidiaries) shall not enter into, undertake or permit any amalgamation, demerger, merger, consolidation, corporate reconstruction, reorganisation or restructuring which will likely to have a Material Adverse Effect and provided always that each of the Issuer and the Guarantor (and its subsidiaries) (as the case may be) shall remain as a going concern and be the surviving party after any such amalgamation, demerger, merger, consolidation, corporate reconstruction, reorganisation or restructuring;

(10) save for trade related and/or transactions conducted in the Issuer's ordinary course of business (being the central treasury management function for the Hap Seng Group ("**Treasury Function**")) and on arm's length basis, the Issuer shall not incur or permit to exist any loans/financing or advances from its shareholders, directors and/or related corporation of the Issuer save and except for loans/financing and advances which are or will be subordinated to the MTNs. For the avoidance of doubt, any shareholder's advance to enable or facilitate the Treasury Function by the Issuer, shall not be subordinated to the MTNs;

(11) Each of the Issuer and the Guarantor shall not cancel, surrender, abandon or otherwise amend or permit to be cancelled, surrendered, abandoned otherwise amended, any licences, grant, consents, approvals or authorisations in any way which has or is reasonably like to have a Material Adverse Effect;

(12) Each of the Issuer and the Guarantor shall not surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interests under any Transaction Documents or do or omit to do any act or execute or omit to execute any document which may render any Transaction Documents to be illegal, void, voidable or unenforceable;

(13) Each of the Issuer and the Guarantor shall not enter into any agreement or obligation which has or which would likely to have a Material Adverse Effect; and

(14) Any other covenants to be in compliance with the minimum contents requirements in the Trust Deed Guidelines and as advised by the Solicitors and to be mutually agreed between the Issuer and the PA/LA.

Financial Covenants

Net Debt to Equity Ratio

The Guarantor shall maintain a Net Debt to Equity Ratio ("**D:E Ratio**") not exceeding 1.5 times throughout the tenure of the MTN Programme.

The D:E Ratio is the ratio of the indebtedness of the Guarantor and its subsidiaries

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

from time to time (collectively, “**Hap Seng Group**”) represented by:

(1) the aggregate: (a) nominal value of all outstanding CPs and MTNs under the Programmes; and (b) all other indebtedness and borrowed monies under financing arrangements of each member of the Hap Seng Group (be it actual or obligations under guarantees issued by any company within the Hap Seng Group in favor of third parties) for principal only, hire purchase obligations and/or finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument and letters of credit and any other trade financing facilities of Hap Seng Group; and

(2) deducting the aggregate amount of cash and cash equivalent investments (including money market deposits/instruments) held by each member of the Hap Seng Group, to the consolidated shareholders’ funds of the Hap Seng Group including, minority interest, preference equity, fully subordinated shareholders’ advances/financing/loans and retained earnings/losses, excluding intangible assets, as reported in the Guarantor’s audited consolidated financial statements.

For the avoidance of doubt, any double counting shall be disregarded and the indebtedness of the Hap Seng Group as defined above shall exclude those amounts owing to trade and other creditors (apart from the creditors for borrowed monies/financing) and payables arising from the ordinary course of business.

The D:E Ratio shall be tested on a yearly basis and as and when required to be made under the terms of the Transaction Documents during the tenure of the MTN Programme. The D:E Ratio shall be tested no later than thirty (30) days from the date of the latest audited consolidated financial statements, is made available.

The calculation of the D:E Ratio shall be duly confirmed by the authorised signatory(ies) of the Guarantor. The Issuer shall arrange for the Guarantor’s authorised signatory’s(ies’) confirmation (as the case may be) to be forwarded to the Facility Agent and the Trustee.

Information Covenants

To include but not limited to the following:

(1) Each of the Issuer and the Guarantor shall provide to the Trustee at least on an annual basis, a certificate signed by the authorised signatory(ies) confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the MTNs and that there does not exist or had not existed, from the date the MTNs were issued or the date of the previous certificate, as the case may be, any Event of Default or any event which upon the giving of notice and/or the lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the Transaction Documents would constitute an Event of Default (“Potential Event of Default”), and if such is not the case, to specify the same;

(2) Each of the Issuer and the Guarantor shall deliver to the Trustee the following:

(a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of the Issuer’s

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

and the Guarantor's audited financial statements for that year, which shall contain the income statements and balance sheets of the Issuer and the Guarantor and which are audited and certified without qualification by a firm of independent certified public accountants;

(b) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) copies of the Issuer's and the Guarantor's unaudited half yearly financial statements for that period which shall contain the income statements and balance sheets of the Issuer and the Guarantor which are duly certified by its respective authorised signatories;

(c) promptly, such information relating to the Issuer's and the Guarantor's business, affairs, financial condition and operations as the Trustee may from time to time request in writing in order to discharge its duties and obligations as Trustee under the Trust Deed;

(d) promptly, all notices or other documents received by each of the Issuer and the Guarantor from any of its shareholders or its creditors which contents may materially and adversely affect the interests of the noteholders, and a copy of all documents dispatched by each of the Issuer and the Guarantor to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally which contents may materially and adversely affect the interests of the noteholders at the same time as these documents are dispatched to these shareholders or creditors,

(3) Each of the Issuer and Guarantor shall promptly give notice to the Trustee in writing of the following:

(a) any Event of Default or any Potential Event of Default;

(b) the happening of any event that has caused or could cause, one or more of the following:

(i) any amount payable under any MTNs to become immediately payable;

(ii) any MTNs becomes immediately enforceable; and

(iii) any other right or remedy under the terms, provisions or covenants of any MTNs or any Transaction Document to become immediately enforceable;

(c) any circumstance that has occurred that would materially prejudice the Issuer or the Guarantor;

(d) any substantial change in the nature of the business of the Issuer or the Guarantor;

(e) any change in withholding tax position of the Issuer or the Guarantor;

(f) any change in the utilisation of proceeds from the Programmes from that set out in the Transaction Documents which set out a specific purpose for which the proceeds are to be utilised;

(g) any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

Issuer or the Guarantor before any court or tribunal or administrative agency which may have a Material Adverse Effect;

(h) any other matter that may materially prejudice the interests of the holders of the MTNs;

(i) any change to the board of directors of the Issuer or the Guarantor; or

(j) any other matter or information that may materially prejudice the interest of the noteholders under the Transaction Documents.

(4) Any other covenants to be in compliance with the minimum contents requirements in the Trust Deed Guidelines and as advised by the Solicitors and to be mutually agreed between the Issuer and the PA/LA.

(21) Details of designated account, if applicable : No designated account

(22) Name of credit rating agency, credit rating and amount rated, if applicable : Not rated

(23) Conditions precedent : **1) Conditions precedent relating to the availability of the MTN Programme**
Including but not limited to the following (all in form and substance acceptable to the PA/LA unless waived by the PA/LA, as the case may be):

A. Main Documentation

(1) The Transaction Documents have been executed, where applicable stamped or endorsed as exempted from stamp duty and presented for registration with the relevant registries.

B. The Issuer and Guarantor

Receipt from the Issuer and Guarantor of:

(1) Certified true copies of the Certificate of Incorporation and the Constitution of the Issuer and the Guarantor;

(2) Certified true copies of the Return for Allotment of Shares (or Form 24 as prescribed under the Companies Act 1965), the Notification of Change in the Registered Address (or Form 44 as prescribed under the Companies Act 1965), Notification of Change in the Register of Directors, Managers and Secretaries (or Form 49 as prescribed under the Companies Act 1965) of the Issuer and the Guarantor;

(3) A certified true copy of board resolutions of the Issuer and the Guarantor authorising, among others, the establishment of the MTN Programme, the

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

issuance of the MTNs under the MTN Programme and the execution of the Transaction Documents to which it is a party;

(4) A list of the Issuer's and the Guarantor's authorised signatories and their respective specimen signatures;

(5) A report of the relevant company search of the Issuer and the Guarantor; and

(6) A report of the relevant winding-up search on the Issuer and the Guarantor conducted at the Department of Insolvency of Malaysia.

C. General

(1) Evidence that all relevant endorsement, approvals and acknowledgements in respect of the lodgement of the MTN Programme from the SC, have been obtained;

(2) Evidence that all transaction fees, costs and expenses have been or will be paid in full;

(3) Evidence of the completion of satisfactory legal due diligence exercise on the Issuer and the Guarantor and the receipt of the legal due diligence report by the PA/LA from the Solicitors.

(4) The PA/LA have received from the Solicitors a satisfactory legal opinion addressed to the PA/LA and the Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the PA/LA that all the conditions precedent have been fulfilled or otherwise waived by the PA/LA as the case may be;

(5) Evidence that the TRA has been opened and established and the mandates are in accordance with the terms of the respective board of directors' resolution and the provisions of the relevant Transaction Documents and a sum of Ringgit Malaysia Thirty Thousand (RM30,000.00) has been deposited in the TRA; and

(6) Such other conditions precedent as may be required by the PA/LA and/or advised by the Solicitors to be mutually agreed with the Issuer.

2) Conditions precedent relating to each issuance under the MTN Programme

(1) Where necessary, relevant authorisation from the Issuer's and Guarantor's board of directors in relation to the issuance of MTNs;

(2) The relevant Transaction Documents relating to the MTNs and pricing supplement to set out the specific terms of the MTNs have been agreed with the subscriber(s) of the MTNs, executed and stamped or duly endorsed as exempted from stamp duty, and where relevant, presented for registration with the relevant registries;

(3) Evidence that all authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations, lodgements or registrations or other documents, opinions or assurances which are necessary, advisable or desirable for or in connection with the entry into and performance by the Issuer and the Guarantor

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(where applicable) of the transactions contemplated by the relevant Transaction Documents or for the validity and enforceability of the relevant Transaction Documents, including where applicable the relevant written consent or approval by the existing lenders/financiers or in respect of existing charges have been obtained and in full force and effect;

(4) If applicable, the legal opinion from the Solicitors on legality, enforceability and validity of the relevant Transaction Documents relating to the MTNs, which have not been included in the legal opinion provided at the establishment of the MTN Programme;

(5) No Event of Default has occurred and is continuing or would occur as a result of the issuance of the MTNs;

(6) A copy of the company search report of the Issuer and the Guarantor (if applicable) from the Companies Commission of Malaysia;

(7) A report of the relevant winding-up search on the Issuer and the Guarantor (if applicable) conducted at the Department of Insolvency of Malaysia;

(8) Confirmation from the Issuer and Guarantor that all representative and warranties remain true and correct and it is in compliance with all covenants under the Transaction Documents; and

(9) Receipt of letter from the subscriber(s) of the MTNs that they do not require rating on the MTNs that they intend to subscribe; and

(10) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the PA/LA and the Issuer.

(24) Representations and warranties

The representations and warranties of each of the Issuer and the Guarantor shall include but are not limited to the following:

(1) it is a limited liability company duly established and validly existing under the laws of Malaysia, has full power to carry on its business and to own its assets, and has good and valid title and full beneficial ownership of its assets and properties;

(2) it has the corporate power and has taken all necessary corporation action to enter into, exercise its rights under and perform its obligations under the Transaction Documents;

(3) all necessary authorisations, licences, and consents required for its performance under the Transaction Documents to which it is a party have been obtained, renewed, fulfilled and remain in full force and effect;

(4) no registration and no payment of any duty or tax or other action is necessary to ensure the validity, enforceability or admissibility in evidence in Malaysia of the Transaction Documents except for the payment of stamp duty or endorsement as being exempted from stamp duty of each of the Transaction Documents under the Malaysian Stamp Act 1949;

(5) no litigation, arbitration or administrative proceeding is presently in progress, pending or instituted or threatened against the Issuer or the Guarantor or any of

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

their respective assets, which has or might reasonably have a Material Adverse Effect;

(6) no tax liabilities of any kind are outstanding in payments (save and except for taxes, which are disputed in good faith with appropriate proceeding or action) and all computations and payments that should be or should have been made to the taxation authority or other relevant authorities have been made within the requisite periods and are up-to-date, correct and made on a proper basis with the taxation authority and other relevant authorities;

(7) it is subject to civil and commercial law with respect to its obligations under the Transaction Documents to which it is a party, the transactions contemplated hereby and the execution, delivery and performance of the Transaction Documents constitutes private and commercial acts done for private and commercial purposes rather than governmental or public acts and it and its assets are not entitled to immunity on the grounds of sovereignty or otherwise from any suits, judgements, executions, legal action or proceeding or other legal process;

(8) each of the Transaction Documents and the pricing supplement is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, constitute valid and legally binding enforceable obligations of the Issuer and/or the Guarantor;

(9) the MTNs constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* without discrimination, preference or priority among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer subject to the provisions of the Transaction Documents and those preferred by law;

(10) its audited financial statements have been prepared in accordance with approved accounting standards in Malaysia and in accordance with all procedures required by its Constitution and the laws of Malaysia and audited and certified by qualified auditors;

(11) all information furnished by it in connection with the MTNs, the MTN Programme and the Transaction Documents do not contain any false or misleading statement or any material omission and any opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by the Issuer and the Guarantor;

(12) no step has been taken by the Issuer, the Guarantor, their creditors or any of their shareholders or any person on their behalf, nor have any legal proceedings or applications been started or threatened under Section 366 of the Companies Act;

(13) no material adverse change in the business condition (financial or otherwise) operations or performance of the Issuer and/or the Guarantor;

(14) neither the execution and delivery of the Transaction Documents, nor the performance of any of the transactions contemplated in the Transaction Documents (a) contravenes or constitutes a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, license, permit or consent by which the Issuer, the Guarantor or any of

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

their respective assets is bound; (b) causes any limitation on the Issuer, the Guarantor or the powers of their respective board of directors, whether imposed by or contained in the Constitution or in any agreement, instrument, law, ordinance, decree, order, rule, regulation or judgment binding on the Issuer or the Guarantor (as the case may be), to be exceeded; or (c) causes or results in the creation or imposition of any security interest or restrictions of any nature on any of its assets save as permitted under the Transaction Documents;

(15) each the Issuer and the Guarantor has maintained and continue to maintain such insurances in respect of its assets and business against all risks which a prudent company carrying a similar business to that of the Issuer and the Guarantor respectively would normally insure;

(16) each of the Issuer and the Guarantor is in compliance and will comply with any applicable laws and regulations;

(17) to the best of the Issuer's and/or Guarantor's knowledge, there are no changes of law or other governmental action which shall make it impossible for the Issuer and/or Guarantor to perform covenants and obligations on its part to be performed under the Transaction Documents to which it is a party;

(18) no Event of Default or Potential Event of Default has occurred and is continuing; and

(19) any other representations and warranties as advised by the Solicitors and to be mutually agreed between the Issuer and the PA/LA.

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

- (25) Events of defaults or : Customary events of default ("**Events of Default**") which shall include but are not enforcement events, limited to the following:
- where applicable, including recourse available to investors
- (1) the Issuer or the Guarantor (as the case may be) fails to pay any amount due from it under the MTNs and/or any of the Transaction Documents relating to the MTN Programme on the due date or, if so payable, on demand;
 - (2) the Issuer ceases to be a wholly-owned subsidiary of the Guarantor save for the provision allowed under paragraph (11) under the title "Positive Covenants" above;
 - (3) any representation or warranty made or given by the Issuer or the Guarantor under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the MTNs and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date at which such representation and warranty is made, and in the case of a failure which in the opinion of the Trustee is capable of being remedied, is not remedied within a period of thirty (30) days upon the Issuer or the Guarantor becoming aware or having been notified by the Trustee of the failure, whichever is the earlier;
 - (4) the Issuer or the Guarantor fails to observe or perform any of its obligations under any of the Transaction Documents which it is a party to or the MTNs or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraph (1) above, and in the case of a failure which in the opinion of the Trustee is capable of being remedied, has not been remedied within a period of thirty (30) days upon the Issuer or the Guarantor becoming aware or having been notified by the Trustee of the failure, whichever is the earlier;
 - (5) there has been a breach by the Issuer or the Guarantor of any obligation under any of its existing contractual obligations (other than those obligations under the Transaction Documents to which paragraphs (1), (2) and (4) above shall apply) which has or might reasonably be expected to have a Material Adverse Effect and in the case of a breach which in the opinion of the Trustee is capable of being remedied, such breach has not been remedied within a period of thirty (30) days after the Issuer or the Guarantor (as the case may be) becoming aware or having been notified by the Trustee of the breach;
 - (6) (a) any indebtedness for borrowed monies of the Issuer, or in the case of the Guarantor exceeding the sum equivalent to five per cent (5%) of total borrowings of the Hap Seng Group (based on the latest audited consolidated accounts of the Guarantor) becomes due or payable prior to its stated maturity; or
 - (b) any guarantee or similar obligations of the Issuer, or in the case of the Guarantor exceeding the sum equivalent to five per cent (5%) of total borrowings of the Hap Seng Group (based on the latest audited consolidated accounts of the Guarantor) are not discharged at maturity or when called; or
 - (c) the Issuer and the Guarantor goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, and as a result of any of the foregoing, such indebtedness becomes

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

due and payable prior to its stated maturity and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call or any security created to secure such indebtedness becomes enforceable and such enforcement is not discharged or disputed in good faith by the Issuer and/or the Guarantor (as the case may be) in a court of competent jurisdiction within thirty (30) days from the date the Issuer and/or the Guarantor (as the case may be) is notified of such enforcement;

(7) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager, judicial manager or similar officer is appointed in respect of any part of the business or assets of the Issuer or the Guarantor or the whole or substantial part of the business or assets of the Issuer or the Guarantor, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer or the Guarantor, or any security interest which may for the time being affect any part of the business or assets of the Issuer or the Guarantor or the whole or a substantial part of the Issuer's or the Guarantor's assets becomes enforceable.

For the purpose of this paragraph (7), references to "substantial" shall mean such value equivalent to or more than 5% of the Guarantor's consolidated net assets as reflected in its latest annual audited consolidated financial statements;

(8) the Issuer or the Guarantor fails to satisfy any judgment passed against it by any court of competent jurisdiction and:

(a) no appeal against such judgment or an application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law; or

(b) in the event that an appeal as described in (a) above has been made, such appeal has been dismissed; or

(c) in the event that an application for a stay of execution as described in (a) above has been made, such application for a stay of execution has been dismissed and such dismissal has not been appealed against within the time prescribed by the relevant laws or rules;

(9) (a) any step is taken for the winding-up, dissolution or liquidation of the Issuer or the Guarantor and such steps for the winding-up, dissolution or liquidation is not challenged in good faith within fourteen (14) days; or (b) a resolution is passed for the winding-up of the Issuer or the Guarantor; or (c) a petition for winding-up is presented against the Issuer or the Guarantor and the Issuer or the Guarantor has not taken any action in good faith to set aside such petition within thirty (30) days from the date of service of such winding-up petition; or (d) a winding-up order has been made against the Issuer or the Guarantor and such order is not struck out or discharged within thirty (30) days;

(10) the Issuer or the Guarantor convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction the Issuer or the Guarantor becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against the Issuer or the Guarantor;

(11) the Issuer or the Guarantor enters into or proposes to enter into, or a declaration is made by any competent court or authority, a moratorium on the payment of indebtedness or other suspension of payments generally;

(12) where there is a revocation, withholding, invalidation or modification of any license, authorisation, approval or consent of the Issuer or the Guarantor which in the opinion of the Trustee may have a Material Adverse Effect;

(13) the Issuer or the Guarantor is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act or becomes unable, or admits inability, to pay any of its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts and the Issuer or the Guarantor has not taken any action in good faith to set aside such claims of debt payment within thirty (30) days from the date of service of such claims for debt payment;

(14) any creditor of the Issuer or the Guarantor exercises a contractual right to take over the financial management of the Issuer and such event in the opinion of the Trustee has or might reasonably be expected have a Material Adverse Effect;

(15) the Issuer or the Guarantor changes or threatens to change the nature or scope of a substantial part its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Trustee may have a Material Adverse Effect;

(16) at any time any of the material provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;

(17) the Issuer or the Guarantor repudiates any of the Transaction Documents or the Issuer or the Guarantor does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;

(18) all or any part of the assets, undertakings, rights or revenue of the Issuer are seized, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Trustee may have a Material Adverse Effect;

(19) the Financial Covenant fails to be maintained;

(20) any event or events has or have occurred or a situation exists which gives grounds for the Trustee to believe that such event will have or might reasonably be expected to have a Material Adverse Effect, and in the case of the occurrence of such event or situation which in the opinion of the Trustee is capable of being

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

remedied, such failure has not been remedied within a period of thirty (30) days after the Issuer or the Guarantor becoming aware or having been notified by the Trustee of the event or situation, whichever is earlier; or

(21) any other events of default as advised by the Solicitors and to be mutually agreed between the Issuer and the PA/LA.

Upon the occurrence of an Event of Default, the Trustee may or shall (if directed to do so by a special resolution of the noteholders) declare that the MTNs are immediately due and payable in accordance with the terms of the relevant Transaction Documents. Thereafter, the Trustee may take proceedings against the Issuer and the Guarantor, as it may think fit, to enforce the immediate payment of the MTNs (including the Redemption Amount (as defined herein)) in accordance with the terms of the relevant Transaction Documents.

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

(26) Governing laws : Laws of Malaysia

(27) Provisions on buy-back, if applicable : The Issuer or its subsidiaries or agent(s) of the Issuer who is/are acting for the redemption or purchase, may at any time purchase the MTNs at any price in the open market or by private treaty. The MTNs which are purchased/redeemed by the Issuer or its subsidiaries or its agent(s) shall be cancelled by the Issuer and cannot be reissued or resold.

Any of the MTNs acquired in the open market or by private treaty by the Issuer's related corporations (other than the Issuer's subsidiaries) or interested persons of the Issuer (who shall include directors, major shareholders and chief executive officer) need not be cancelled but shall not entitle them to participate in the voting of any noteholders' resolution nor form part of the quorum of any meeting subject to any exceptions in the Trust Deeds Guidelines.

(28) Provisions on early redemption, if applicable : The Issuer may redeem the MTNs prior to their maturity by giving the requisite notice period set out in the Transaction Documents at a redemption price to be mutually agreed between the Issuer and the noteholder(s). Any MTNs which are redeemed by the Issuer shall be cancelled.

Mandatory Early Redemption

The Issuer shall mandatorily early redeem the MTNs in whole or in part (as determined by the noteholder(s)) upon the occurrence of any of the events as stipulated in the respective pricing supplement(s).

Voluntary Early Redemption

The Issuer may from time to time and at any time early redeem the MTNs in whole or in part in accordance to terms as stipulated in the respective pricing supplement(s).

Any of the MTNs that are redeemed under the Early Redemption shall forthwith be cancelled or treated as cancelled.

(29) Voting : Voting by the noteholders under the MTN Programme shall be carried out as follows:

Prior to upsizing of the MTN Programme:

All matters (save in relation to the upsizing of the MTN Programme) which require the noteholders' consent under the MTN Programme shall be carried out on a collective basis.

Post upsizing of the MTN Programme:

All matters which require the noteholders' consent under the MTN Programme shall be carried out on a "per series" basis. Noteholders holding a requisite amount under each Series (as defined below) (to be determined under the Trust Deed) shall provide their consent for the relevant matters to be passed under the MTN

Unrated medium term notes (MTNs) pursuant to a proposed MTN programme of up to RM5.0 billion in nominal value (MTN Programme). The maximum aggregate limit of the MTN Programme is subject to a combined limit of RM5.0 billion in nominal value with the commercial papers (CPs) programme of RM1.0 billion in nominal value (CP Programme), to be established concurrently. The CP Programme and the MTN Programme are collectively referred to as the Programmes.

Principal Terms and Conditions

Programme and the consent from such noteholders in respect of the outstanding MTNs under the relevant Series shall have been obtained for any such resolution to be carried.

“**Series**” shall mean, in relation to any MTNs with the same issue date and same maturity date.

(30) Permitted investments, if applicable : No permitted investments

(31) Ta'widh (for ringgit-denominated sukuk) : Not applicable

(32) Ibra' (for ringgit-denominated sukuk) : Not applicable

(33) Kafalah (for ringgit-denominated sukuk) : Not applicable