

KYS Assets Sdn Bhd ("KASB" or the "Issuer").

Medium Term Notes Programme.

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : KYS Assets Sdn Bhd ("KASB" or the "Issuer").
- (2) Address : Registered Address Level 15-2, Bangunan Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur.
- (3) Date of incorporation : 14-Mar-2016
- (4) Place of incorporation : Malaysia
- (5) Business registration number : 1179368-V.
- (6) Residence status : Resident Controlled Company
- (7) Place and date of listing : Not Listed
- (8) Principal activities : The Issuer is a private education provider and owner and manager of education assets and facilities.
- (9) Authorised, issued and paid-up share capital : **Authorised Capital as at 28 November 2016**
RM25,000,000.00 divided into 13,000,000 ordinary shares of RM1.00 each and 12,000,000 redeemable convertible cumulative preference shares of RM1.00 each.

Issued and Fully Paid-up Share Capital as at 28 November 2016

RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each.

- (10) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The shareholders and shareholding structure of the Issuer as at 28 November 2016 are as follows:

Name	No. of Ordinary Shares	
	Direct	%
KYS College Sdn Bhd	1,000,000	100
TOTAL	1,000,000	100

- (11) Board of directors : 1. Meor Othman Bin Meor Lope
2. Dato' Muhammad Hafidz Bin Nuruddin

(B) PARTIES TO THE TRANSACTION

- (1) Origination :
- | No. | Roles | Name of parties |
|-----|-------------------|--|
| 1 | Issuer | KASB |
| 2 | Principal Adviser | KENANGA INVESTMENT BANK BERHAD |
| 3 | Lead Arranger | Kenanga Investment Bank Berhad ("Kenanga IB" or "PA/LA") |
| 4 | Solicitors | Messrs. Zaid Ibrahim and Co |

- (2) At point of :
- | No. | Roles | Name of parties |
|-----|-------|-----------------|
|-----|-------|-----------------|

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distribution

1	Issuer	KASB
2	Lead Manager	Kenanga IB
3	Central Depository	Bank Negara Malaysia ("BNM")
4	Paying Agent	BNM
5	Facility Agent	Kenanga IB

(3) After distribution

No.	Roles	Name of parties
1	Issuer	KASB
2	Guarantor	Tan Sri Halim Bin Saad
3	Facility Agent	Kenanga IB
4	Other	TMF Trustees Malaysia Berhad-Security Trustee
5	Central Depository	BNM
6	Paying Agent	BNM
7	Trustee	TMF Trustees Malaysia Berhad

(C) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Medium Term Notes Programme.
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : Not applicable
- (4) Facility description : Issuance of unrated medium term notes ("MTNs") pursuant to a medium term notes programme of up to RM500.0 million in nominal value ("**MTN Programme**").
The MTNs may be issued in one or more tranches and within each tranche, one or more series may be issued, of which tranche 1 shall comprise MTNs of up to RM80.0 million in nominal value ("**Tranche 1**") and subsequent tranches shall be in amounts as agreed by the Issuer and the relevant subscribers.
- (5) Currency : Ringgit
- (6) Expected facility/ programme size : MYR500,000,000.00
- (7) Option to upsize (for programme) : Yes
- (8) Tenure of facility/ programme : 20 year(s)
- (9) Availability period for debt/ sukuk programme : The MTNs are available for issuance upon completion of documentation and fulfilment of all conditions precedent to the satisfaction of Lead Arranger (unless otherwise waived or deferred by Lead Arranger) and ending on the expiry date of the MTN Programme, provided that the first issuance of the MTNs shall be made within sixty (60) business days from the date of submission of this Lodgement with the SC.
- (10) Clearing and : • MyClear

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settlement platform		
(11) Mode of issue	:	<ul style="list-style-type: none">• Book building• Bought deal• Direct placement• Book running• Private placement
(12) Selling restrictions	:	<ul style="list-style-type: none">• 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 4(6) of the Companies Act, 1965
(13) Tradability and transferability	:	<ul style="list-style-type: none">• Non-tradable & non-transferable
(14) Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase PDS/sukuk, and whether or not obtained	:	None.
(15) Details of security/ collateral pledged	:	<p>(a) Debenture incorporating a first ranking fixed and floating charge on the assets of the Issuer, both present and future;</p> <p>(b) Legal assignment over all the Issuer's revenue, income, compensation and all other amounts received;</p> <p>(c) Legal assignment and charge over the Designated Accounts and the credit balances therein;</p> <p>(d) Legal assignment over all the rights, title and interest under the relevant contracts for the construction of KYS School KL East;</p> <p>(e) Legal assignment over the all rights, title and interest in all relevant takaful/ insurances taken or to be taken in relation to the development and construction of KYS School KL East, where applicable and the proceeds thereof, with the Security Trustee named as the loss payee in such takaful/insurance policies; and</p> <p>(f) Such other security as may be required by the subscribers/noteholders,</p> <p>(collectively, "Security Documents").</p> <p>"KYS School KL East" means the international and private school campus, which is located at the piece of land held under GRN 78335, Lot 201057, Mukim of Setapak, Daerah Kuala Lumpur.</p>
(16) Details of guarantee	:	All payments due and payable under the MTN Programme will be irrevocably and unconditionally guaranteed by Tan Sri Halim Bin Saad ("Guarantor"), pursuant to a guarantee provided by the Guarantor in favour of the Security Trustee (" Guarantee ").
(17) Convertibility of Issuance	:	Non-convertible
(18) Exchangeability of Issuance	:	Non-exchangeable
(19) Call option	:	No call option
(20) Put option	:	No put option
(21) Details of covenants	:	a. <u>Positive covenants</u> <u>Positive Covenants</u>

To include but not limited to the following:

- (i) The Issuer shall promptly and at all times comply with, perform and carry out all its obligations in accordance with the provisions of the Transaction Documents and ensure that it shall immediately notify the Trustee in the event that it is unable to fulfil or comply with any of the provisions of the Transaction Documents;
- (ii) The Issuer shall obtain and maintain in full force and effect all relevant authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) which is or may become necessary (i) to enable it to own its assets and to carry on its business or, (ii) to enter into or perform its obligations under the Transaction Documents; and (iii) to ensure the legality, validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the noteholders under the Transaction Documents; and the Issuer shall comply with the same at all times;
- (iii) The Issuer shall open and maintain the Designated Accounts and the Trustees' Reimbursement Account (as defined under Other terms and conditions) and pay all amounts into such accounts and make all payments from such accounts only as permitted under the Transaction Documents;
- (iv) The Issuer shall at all times arrange for and maintain adequate takaful/ insurance cover with a reputable takaful/ insurance company in accordance with the provisions of the Transaction Documents and the Issuer is to ensure that the Security Trustee is named as a co-insured and/or loss payee for the benefit of noteholders;
- (v) The Issuer shall execute all such further documents and do all such further acts reasonably necessary at any time or times as the Trustee or the Security Trustee may in its opinion consider reasonably necessary to give full effect to the terms and conditions of the Transaction Documents or secure to the Trustee or the Security Trustee the full benefits of all rights, powers and remedies conferred upon the Trustee or the Security Trustee in the Transaction Documents;
- (vi) the Issuer shall comply with all applicable laws including the provisions of the CMSA, the SC's LOLA Guidelines, the Companies Act 1965 (as may be amended or replaced from time to time) ("**CA 1965**"), the SC's TD Guidelines and all circulars, conditions or guidelines issued by SC from time to time;
- (vii) The Issuer shall carry on and operate its business and affairs with reasonable diligence and in a proper and efficient manner, in accordance with sound financial and commercial standards and in accordance with its Memorandum and Articles of Association;
- (viii) The Issuer shall maintain a paying agent in Malaysia in respect of payments in relation to the MTN Programme in accordance with the relevant laws and regulations and the Issuer shall procure that the Paying Agent shall notify the Trustee, through the Facility Agent, if the Paying Agent does not receive payment from the Issuer on the due dates as required under the Transaction Documents and the terms and conditions of the MTN Programme;
- (ix) The Issuer shall keep proper books and accounts at all times and to provide the Trustee and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law;
- (x) The Issuer shall ensure that the terms in the Transaction Documents do not contain any matter which is inconsistent with the provisions of any document prepared relating to or in connection with the offering of the MTNs;
- (xi) The Issuer shall ensure the construction of KYS School KL East shall commence within twelve (12) months from the date of first issuance of the MTNs; and
- (xii) Such other positive covenants as may be advised by the Solicitors or as may be required by subscribers/noteholders.

b. Negative covenants

Negative covenants

To include but not limited to the following:-

- (i) The Issuer shall not permit any addition, deletion, substitution, amendment, supplement or variation to its Memorandum and/or Articles of Association in a manner inconsistent with the provisions of the Transaction Documents or which may be materially prejudicial to the interests of the noteholders;
- (ii) The Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind over all or any part of its business or assets including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, other than such security interests created to secure the MTN Programme or any tranches of the MTNs and such other security interest as may be agreed mutually between the Issuer and the PA/LA and documented in the Transaction Documents;
- (iii) The Issuer shall not incur, assume or permit to exist any loans, financings and/or advances from its shareholders,

directors, related corporations or affiliates unless such loan, financings and/or advances are subordinated to the MTN Programme;

(iv) The Issuer shall not undertake or permit any amalgamation, merger, consolidation, reconstruction, or winding up or sell, transfer, lease (other than operating lease), or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transactions, related or not, any part of its undertaking, business or assets;

(v) The Issuer shall not enter into a transaction, whether directly or indirectly with Interested Persons unless:

(a) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not Interested Persons;

(b) with respect to transactions involving an aggregate payment or value equal to or greater than an amount to be agreed between the Issuer and the PA/LA during documentation (which must be stated in value term and not in percentage ratio), the Issuer shall obtain certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

PROVIDED that the Issuer certifies to the Trustee that the transaction complies with paragraph (a) above, that the Issuer has received the certification referred to in paragraph (b) (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require;

(vi) The Issuer shall not reduce its authorised or paid-up and issued share capital;

(vii) The Issuer shall not carry on any other business activities other than those permitted under its Memorandum and Articles of Association;

(viii) The Issuer shall not enter into any agreements with terms which will have an adverse effect on its ability to observe or perform any of its obligations under the Transaction Documents;

(ix) The Issuer shall not use the proceeds of the issue of the MTNs for any purpose other than for the purposes provided under the Transaction Documents;

(x) The Issuer shall not declare or pay any dividend (including dividend to preference shareholders) and shall not redeem any of the preference shares (as the case may be) unless and until the following are complied:

1. KYS School KL East is completed and has commenced business operations; and

2. An amount equivalent to the amount to be paid as dividend and/or an amount equivalent to the preference shares redemption amount are to be deposited into DSRA 2 (as defined under Details of designated account(s)) prior to the pay outs and redemption respectively.

(xi) The Issuer shall not make any advances to its shareholders (including the preference shareholders); and

(xii) Such other negative covenants as may be advised by the Solicitors or as may be required by subscribers/noteholders.

"Interested Persons" includes:

1. the directors, major shareholders and chief executive of the Issuer; and

2. the Guarantor.

c. Financial covenants

No financial covenant

d. Information covenants

Information covenants

Information Covenants include but are not limited to the following:-

(i) the Issuer shall notify the Trustee immediately in the event that the Issuer becomes aware of:-

(a) any Event of Default;

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

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

(ii) the MTNs become immediately enforceable; or

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

(c) any circumstances that has occurred (financial or otherwise) and of any litigation or other proceedings of any nature threatened having a Material Adverse Effect (as defined below) that would materially prejudice the Issuer or any security created pursuant to the MTNs and/or the Transaction Documents;

- (d) any substantial change in the nature of the business of the Issuer;
 - (e) any change in the withholding tax position or taxing jurisdiction of the Issuer;
 - (f) any change in the utilisation of proceeds from the MTNs;
 - (g) any other matter that may materially prejudice the interests of the noteholders; and
 - (h) any cessation of liability of the Guarantor for the payment of the whole or part of the moneys for which it was liable under the Guarantee;
- (ii) the Issuer shall deliver to the Trustee:-
- (a) as soon as they become available (and in any event within one hundred and eighty (180) calendar days after the end of each financial year) copies of its financial statements for that financial year which shall contain the income statement and balance sheet and cash flow statement of the Issuer which are audited and certified without any qualification by a firm of independent certified public accountants;
 - (b) as soon as they become available (and in any event within one hundred and twenty (120) calendar days after the end of each half year of its financial year) copies of its unaudited half yearly financial statements for that period which shall contain the income statement and balance sheet of the Issuer which are duly certified by any one of the directors that such financial statements present a true and fair view;
 - (c) at least on an annual basis, a certificate confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the MTNs, and that there did not exist or had not existed, from the date the MTNs were first issued or date of the previous certificate as the case may be, any Event of Default, and if such is not the case to specify the same;
 - (d) any other account(s), report(s), notice(s), statement(s) or circular(s) issued to the Issuer's shareholders (or any class of them) or its creditors; and
 - (e) such information which the Trustee and Security Trustee may from time to time reasonably require in order to discharge their respective duties and obligations under the Transaction Documents relating to the Issuer's affairs to the extent permitted by law; and
- (iii) Such other information covenants as may be advised by the Solicitors or as may be required by subscribers/noteholders.

"**Material Adverse Effect**" means any material adverse effect on:

- (a) the business, prospects, condition (financial or otherwise) or results of the operations of any of the Obligors (which is a body corporate); or
- (b) the ability of any of the Obligors to perform its obligations under any of the Transaction Documents; or
- (c) the validity or enforceability, or the effectiveness or the priority or ranking of any security interest granted or purporting to be granted pursuant to any of the Transaction Documents or the rights or remedies of the Trustee, the Security Trustee or any noteholder under the Transaction Documents.

"**Obligor**" means, collectively, the Issuer and the Security Parties and references to "Obligor" include references to any one thereof.

"**Security Parties**" means the Guarantor and any other party from time to time providing security for the MTN Programme or any of the MTNs.

(22) Details of designated account(s) :

No.	Account name	Parties responsible for opening account	Parties responsible to maintain/operate account	Signatories to account	Sources of funds	Utilisation of funds
1	Disbursement Account ("DA")	Issuer	DA is to be maintained by the Issuer and solely operated by the Security Trustee	Security Trustee	(i) All proceeds from the issuance of the MTNs; and (ii) Such amounts deposited by the Issuer.	Funds in the DA shall be applied towards the purposes for which the relevant MTNs were issued,

						subject to the disbursement conditions as set out in the relevant Transaction Documents or as may be required by the Security Trustee; and documentary evidence to the satisfaction of the Security Trustee. Credit balances held in the DA, if any, may be utilised for investments in Permitted Investments (as defined under Permitted investments, if applicable)
2	Revenue Account ("RA")	Issuer	RA is to be maintained by the Issuer and solely operated by the Security Trustee	Security Trustee	Includes but not limited to the following: (i) All income, revenue and other amounts received by the Issuer, including those from KYS School KL East; (ii) Income received from Permitted Investment, if any; (iii) All claims/compensation to be paid by any issuing party in relation to any performance bond or by way of damages, if any; (iv) All forms of deposits (i.e. rental, security, etc) and proceeds from the Issuer's insurance claims, if any; and (v) Such amounts deposited by the Issuer.	Funds in the RA shall be applied to meet the following permitted expenditure in the following order of priority if no Event of Default has occurred: (i) Transfer to the OA (as defined below) based on a semi-annual budget of the Issuer ("Half Yearly Budget"), which has been endorsed by any one (1) of the Issuer's director and to be submitted to the Security Trustee prior to

						the commencement of each budget period and any additional sum as may be required due to any subsequent revision to the Half Yearly Budget, subject to any requirement in the Transaction Documents; (ii) Funding the DSRA 1 (as defined below); (iii) Funding the DSRA 2 (as defined below); (iv) Dividend payments (including to preference shareholders, if any) (subject to Negative Covenants (x)); (v) Redemption of preference shares, if any (subject to the Negative Covenants (x)); and (vi) Any excess monies after meeting the above, shall remain in the RA. Credit balances held in the RA, if any, may be utilised for investments in Permitted Investments (as defined under Permitted investments, if applicable).
3	Operating Account ("OA")	Issuer	The OA shall be maintained	Issuer, provided that upon an	(i) Transfer from the DA; (ii) Transfer from the RA based on the	Funds in the OA shall be applied in the following

			and solely operated by the Issuer. However upon an occurrence of an Event of Default, the OA shall be operated solely by the Security Trustee.	occurrence of an Event of Default, the Security Trustee shall be the signatory.	approved projected Half Yearly Budget; and (iii) Such amount deposited by the Issuer.	priority: (i) to be utilised in accordance with the Half Yearly Budget for the funding of all general administrative, operational and maintenance expenses, taxes and such other authority fees to be incurred and management expenses of the Issuer; and (ii) any surplus shall be remitted to the Revenue Account. Credit balances held in the OA, if any, may be utilised for investments in Permitted Investments.
4	Debt Service Reserve Account 1 ("DSRA 1")	Issuer	The DSRA 1 shall be maintained by the Issuer and solely operated by the Security Trustee.	Security Trustee	(i) Transfer from the DA to meet the Minimum Required Balance (as defined herein); (ii) Transfer from the RA to meet the Minimum Required Balance; and (iii) Such other sources from which the Issuer derives funds to meet the Minimum Required Balance.	Funds in the DSRA 1 shall be utilised in the following order of priority: (i) payments of coupon due under the MTN Programme; and (ii) payments of other financing costs, fees and expenses of the Issuer in relation to financing arranged by the PA/LA in connection with the MTN Programme. The Issuer shall maintain an

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						amount at least equivalent to the next six (6) months coupon payable under the MTNs ("Minimum Required Balance"). In the event that the balance held in the DSRA 1 is less than the Minimum Required Balance, the shortfall shall be topped up from the Revenue Account. Any shortfall shall be topped up within a period of fourteen (14) business days. Credit balances held in the DSRA 1, if any, may be utilised for investments in Permitted Investments.
5	Debt Service Reserve Account 2 ("DSRA 2")	Issuer	The DSRA 2 shall be maintained by the Issuer and solely operated by the Security Trustee	Security Trustee	(i) Transfer from the RA; and (ii) Other sources from which the Issuer derives funds.	The amount deposited shall be used for the purpose of principal repayment of any outstanding MTNs under the MTN Programme. Credit balances held in the DSRA 2, if any, may be utilised for investments in Permitted Investments.

(23) Name of credit rating agency and credit rating : Not Rated

- (24) Conditions precedent : The following conditions precedent (all have to be in form and substance acceptable to the PA/LA):
- (i) Acknowledgment from the SC on the Lodgement;
 - (ii) Board resolution from the Issuer authorising, amongst others, the issuance of the MTNs by the Issuer and for the Issuer to enter into and to execute all the Transaction Documents and any other relevant agreements in relation to the issuance of the MTNs;
 - (iii) The Transaction Documents shall have been duly executed and stamped or duly endorsed as exempted under Stamp Duty Exemption (No 23) Order 2000, and where relevant, presented for registration;
 - (iv) Documentary evidence that the Designated Accounts and Trustees' Reimbursement Account have been opened;
 - (v) Legal opinion from the Solicitors confirming that (i) the Transaction Documents are legal, valid, binding and enforceable (where possible); and (ii) all conditions precedent to the MTN Programme have been fulfilled unless otherwise waived by the PA/LA;
 - (vi) A certified true copy of each of: (i) the certificate of incorporation of the Issuer; (ii) the Memorandum and Articles of Association of the Issuer; and (iii) the latest Forms 24, 44 and 49 of the Issuer;
 - (vii) A list of the Issuer's authorised signatories and their respective specimen signatures;
 - (viii) A copy of the company search report of the Issuer from the CCM and the information revealed by such search report are to the satisfaction of the PA/LA;
 - (ix) A copy of the winding up search report or in the absence of the winding up search report, a Statutory Declaration of the Issuer confirming that the Issuer is not wound up;
 - (x) The results of the bankruptcy search on the Guarantor wherein the Department of Insolvency confirms that no bankruptcy orders have been issued against the Guarantor;
 - (xi) Satisfactory evidence of payment or arrangement for payment of all relevant fees, costs and expenses relating to the MTN Programme have been or will be made;
 - (xii) Documentary evidence that all legal due diligence in relation to the MTN Programme have been undertaken and conducted to the satisfaction of the PA/LA;
 - (xiii) All authorisations, consents, approvals, resolutions, licences, exemption, filings, notarisation, lodgement or registration or other document, opinion or assurance (such as the consent from any existing lender of the Issuer) as may be necessary, required or desirable for or in connection with the establishment of the MTN Programme, the issuance of the MTNs under the MTN Programme and the entry into and performance of the Issuer's obligations under the Transaction Documents, have been obtained and in full force and effect; and
 - (xiv) Such other conditions precedent as may be advised by the Solicitors and mutually agreed by the Issuer and the PA/LA.
- (25) Representations and warranties : Including but not limited to the following:
- (i) The Issuer is a company with limited liability, duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its properties and assets, and has full legal and/or beneficial ownership of all its properties and assets.
 - (ii) The Issuer's Memorandum and Articles of Association incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise, it to execute and deliver the Transaction Documents and to perform the transactions contemplated by the Transaction Documents in accordance with their respective terms;
 - (iii) Neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by the Transaction Documents did or does (a) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, award, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound or which is applicable to it or any of its assets, (b) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its Memorandum and Articles of Association or in any agreement, instrument, law, ordinance, decree, award, order, rule, regulation, judgment or otherwise, to be exceeded, or (c) cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer's assets;
 - (iv) Each of the Transaction Documents is or will when executed or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, the valid and legally binding obligations

of the Issuer enforceable in accordance with their terms;

(v) No event has occurred which constitutes, or which with the giving notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any agreement or instrument by which the Issuer or any of its properties and assets is bound or affected, and no Event of Default is continuing or is reasonably likely to result from the issuance of any MTNs or the entry into, the performance of, or any transaction contemplated by, any Transaction Document;

(vi) No litigation, arbitration or administrative proceeding or claim which would by itself or together with any other such proceedings or claims have a Material Adverse Effect is presently in progress or pending or, threatened against the Issuer or any of its properties and assets;

(vii) All necessary returns have been delivered to and filed with by or on behalf of the Issuer to the relevant taxation authorities and the Issuer are not in default of the payment of any taxes;

(viii) The consolidated audited financial statements of the Issuer have been prepared on a basis consistently applied and in accordance with approved accounting standards in Malaysia and give a true and fair view of the results of its operations for each respective year and the state of affairs at that date, and in particular disclose all material liabilities (actual or contingent) of the Issuer;

(ix) All information furnished or to be furnished by the Issuer in connection with the MTN Programme, the Transaction Documents and the transactions contemplated respectively thereby do not contain any statement or information that is false or misleading and there is no material omission in respect thereof, and all expressions or expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by the Issuer, and the Issuer has fully disclosed to the PA/LA all facts relating to the Issuer which the Issuer knows or should reasonably know and which are material for disclosure to the PA/LA in the context of the Transaction Documents and the MTN Programme;

(x) The Issuer is in compliance and will comply with any applicable laws and regulations; and

(xi) Such other representations and warranties as may be advised by the Solicitors or as may be required by subscribers/noteholders.

The above representations and warranties, where applicable, will also be provided by the Guarantor.

- (26) Events of defaults or enforcement events, where applicable, including recourse available to investors :
- Each of the events or circumstances set out below is an event of default ("Event of Default") :-
- (i) The Issuer fails to pay any sum due in respect of a particular series of the MTNs or, upon written demand by the Trustee for such payment which is due and payable, and such failure is not remedied by the Issuer within seven (7) business days;
 - (ii) Any of the Obligors fails to observe or perform any of its obligations under the provisions of any Transaction Documents (other than an obligation of the type referred to in paragraphs (i) and (iii)) which is not capable of remedy or which, if is capable of remedy, is not remedied within thirty (30) calendar days after such Obligor becoming aware of or having been notified in writing by the Trustee of the failure to comply, whichever is earlier, or such other longer remedy period as may be agreed between the Trustee and such Obligor;
 - (iii) The Issuer fails to meet the requirements with respect to the Minimum Required Balance and such failure is not remedied within fourteen (14) days;
 - (iv) Any consent, approval, licence, permit or authorisation is revoked, withheld or modified or is otherwise not granted or ceases for any reason to remain in full force and effect and such revocation, withholding, modification or cessation would, in the reasonable opinion of the Trustee, have a Material Adverse Effect;
 - (v) Any step is taken for the winding-up, dissolution or liquidation of the Issuer, or a resolution is passed for the winding-up of the Issuer or a petition for winding-up is presented against the Issuer and such petition has not been set aside or struck out within thirty (30) calendar days from the date of service of such winding-up petition, or a winding-up order has been made against the Issuer becomes insolvent or commits an act of insolvency or is deemed unable to pay its debts within the meaning of section 218(2) of the CA 1965;
 - (vi) A bankruptcy petition is presented against the Guarantor or the Guarantor has committed any act of bankruptcy;
 - (vii) An encumbrancer takes possession of, or a trustee, receiver and manager or similar officer is appointed in respect of, the whole or a substantial part of the business or assets of any of the Obligors or, or a distress, legal process, sequestration or any form of execution is levied, enforced or sued upon or against any part of the business or assets of any of the Obligors and such proceeding has not been set aside within thirty (30) calendar days from the date of the commencement of such proceeding or action, or any security interest which may for the time being affect any of its

assets becomes enforceable;

For the purpose of this paragraph (vi), references to "**substantial**" shall mean such value equivalent to or more than five per cent (5%) of the Issuer's (as the case may be) net tangible assets as reflected in its latest consolidated annual audited financial statements.

(vii) Any of the Obligors stops, suspends or threatens to stop or suspend payment of all or any part of its debts, begins negotiations with its creditors or takes any proceeding or other step with a view of readjustment, rescheduling or deferral of all of its indebtedness (or of any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or proposes to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspensions of payments generally (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction it becomes or is declared to be insolvent) or where a scheme of arrangement under section 176 of the CA 1965 has been initiated by or against it;

(ix) Any indebtedness of any of the Obligors becomes due and payable prior to its stated maturity or any guarantee or similar obligations of any of the Obligors are not discharged at maturity or when called, or any of the Obligors goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, or where the security created for any other indebtedness becomes enforceable;

(x) There has been a breach by any of the Obligors of any obligation under such Obligor's contractual obligations (other than those under the Transaction Documents) which has or might have a Material Adverse Effect and, if in the opinion of the Trustee is capable of being remedied, such Obligor does not remedy the breach within a period of thirty (30) calendar days after such Obligor became aware or having been notified by the Trustee of the breach, whichever is earlier;

(xi) Any representation or warranty made or given by any of the Obligors 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 the Transaction Documents is or proves to have been incorrect or misleading in any respect;

(xii) Any of the Obligors fails to satisfy any judgment, order or award passed against it by any court of competent jurisdiction and such judgment has not been appealed or stayed within the applicable time prescribed by law;

(xiii) Any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer;

(xiv) The Issuer changes or threatens to change the nature or scope of a substantial part of 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 may, in the opinion of the Trustee, have or would have a Material Adverse Effect;

For the purpose of this paragraph (xiv), "**substantial**" shall have the same meaning as that under paragraph (vi) above.

(xv) At any time any of the provisions of any Transaction Document is or becomes, for any reason, invalid, illegal, void, voidable or unenforceable;

(xvi) Any of the assets, undertakings, rights or revenue of any of the Obligors are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Trustee has or might have a Material Adverse Effect;

(xvii) Any event or events has or have occurred or a situation exists which in the opinion of the Trustee may 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 remedied, any of the Obligors does not remedy it within a period of thirty (30) calendar days after such Obligor became aware or having been notified by the Trustee of the event or situation, whichever is earlier; or

(xviii) Such other events of default as may be advised by the Solicitors or as may be required by subscribers/noteholders.

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 of a particular series of MTNs, shall declare that an Event of Default has occurred with respect of that series whereupon all the outstanding MTNs of that series shall become immediately due and payable and the Trustee is entitled to enforce its rights and remedies relating to that series under the Transaction Documents.

(27) Governing laws : Laws of Malaysia.

(28) Provisions on buy-back : The MTNs may only be purchased by the Issuer, its subsidiaries or agents upon the expiry of the non-transferable and non-tradable period under the LOLA Guidelines. Such MTNs purchased by the Issuer, its subsidiaries or agents shall be cancelled and cannot be resold or reissued and the MTNs purchased by the Interested Person need not be cancelled but such MTNs so purchased and held by the Interested Person will not be counted for purposes of voting at any meeting of

KYS Assets Sdn Bhd ("KASB" or the "Issuer").

Medium Term Notes Programme.

Principal Terms and Conditions

the noteholders.

- (29) Provisions on early redemption : In respect of any MTNs outstanding for the first two (2) years from the date of first issuance of MTNs under the MTN Programme, the Issuer has the right to redeem such MTNs at their nominal value and accrued interest without payment of any premium or other compensation, and subject to such other procedural requirements as may be set out in the Transaction Documents.
- (30) Voting : All matters or resolutions which require the noteholders' consent/approval under the MTN Programme shall be carried out on a per series basis.
- (31) Permitted investments : Credit balances in the Designated Accounts pending such application/distribution may be placed in Permitted Investment by the Security Trustee, subject to a maximum tenor of twelve (12) months. Permitted Investments are as follows:-
- (i) Securities guaranteed by the Government of Malaysia;
 - (ii) Fixed income securities issued in Malaysia with the approval of the Government of Malaysia by any authority established under federal or state law;
 - (iii) Money market instruments of a financial institution with a minimum long term rating of A3 and short term rating of P1 or its equivalent;
 - (iv) Deposits with any licensed bank with a minimum rating of A3/P1 or its equivalent; or
 - (v) Any money market fund approved by the SC which invests solely in any of the instruments above.
- (32) Ta'widh (for sukuk) : Not applicable
- (33) Ibra' (for sukuk) : Not applicable
- (34) Kafalah (for sukuk) : Not applicable