

ARA BINTANG BERHAD

(Company No. 878792-W)
(Incorporated in Malaysia)

PRINCIPAL TERM & CONDITIONS

in respect of

SECOND ISSUANCE OF SENIOR MEDIUM TERM NOTES OF RM330 MILLION IN NOMINAL VALUE AND THIRD ISSUANCE OF JUNIOR MEDIUM TERM NOTES OF RM730 MILLION IN NOMINAL VALUE

in relation to the

MEDIUM TERM NOTES PROGRAMME OF UP TO RM1.25 BILLION IN NOMINAL VALUE

Dated 8 September 2014

PRINCIPAL TERMS AND CONDITIONS

The information set out in this section is qualified in its entirety by, and must be read in conjunction with, the further detailed information appearing elsewhere in the Supplementary Information Memorandum dated 27 August 2014 (the “**Supplementary Information Memorandum**”) and the Information Memorandum dated 17 May 2010 (the “**IM**”). Words and expression used and defined here shall, in the event of inconsistency with the definition sections of the Supplementary Information Memorandum, only be applicable for this Principal Terms & Conditions of the second issuance of Senior Medium Term Notes (the “**Second Senior MTNs**”) and the third issuance of Junior Medium Term Notes (the “**Third Junior MTNs**”) and together with the Second Senior MTNs, the “**Notes Series 2014-A**”).

The information herein contains terms and conditions specific to the issue by Ara Bintang Berhad (the “**Issuer**”) of the Notes Series 2014-A under the Medium Term Notes Programme of RM1.25 Billion in Nominal Value (the “**MTN Programme**”). This term sheet does not contain the general terms and conditions of the MTN Programme and must at all times be read in conjunction with the IM and the Supplementary Information Memorandum (collectively the “**Memoranda**”) issued by the Issuer. Unless otherwise set out herein, terms and conditions contained in the Memoranda shall prevail.

A. **Notes Series 2014-A**

- (i) *Lead Manager for the Notes Series 2014-A* : CIMB Investment Bank Berhad
- (ii) *Issue* : Notes Series 2014-A will be issued on 17 September 2014 and will have a nominal value of RM1,060 million comprising of the following:
 - (i) Second Senior MTNs: RM330.00 million
 - (ii) Third Junior MTNs: RM730.00 million
- (iii) *Final Ratings* : (i) Second Senior MTNs: AAA/Stable
(ii) Third Junior MTNs: C₃/Stable
- (iv) *Transferability* : (i) Second Senior MTNs: Tradable and transferable
(ii) Third Junior MTNs: Tradable and transferable
- (v) *Legal Maturity (number of years from Issue Date)* : (i) Second Senior MTNs: 6.5 years
(ii) Third Junior MTNs: 6.5 years
- (vi) *Expected Maturity (number of years from Issue Date)* : (i) Second Senior MTNs: 5 years
(ii) Third Junior MTNs: 5 years

- (vii) *Coupon Rate* : (i) Second Senior MTNs: Fixed rate based on the nominal value of the notes of 4.48% per annum
(ii) Third Junior MTNs: Variable rate to be determined prior to each coupon payment date and capped at 12.00% per annum and shall be calculated on a cumulative annual basis by aggregating the amount of coupon paid or payable under the variable coupon rate for each quarterly period
- (viii) *Stepped-Up Coupon* : (i) Second Senior MTNs: Coupon shall be stepped up by 1% per annum if the Second Senior MTNs are not redeemed by the Expected Maturity date. For the avoidance of doubt, the stepped-up coupon is calculated based on the amount unpaid from the Expected Maturity date up to the date of actual payment in full of the Second Senior MTNs (prior to or on the Legal Maturity date)
(ii) Third Junior MTNs: Not applicable
- (ix) *DSRA Requirement* : The reserve requirement in the Debt Service Reserve Account (“**DSRA Requirement**”) for the Second Senior MTNs shall be an amount equivalent to the 6-months coupon payment obligations of the Second Senior MTNs, in the form of cash.
- (x) *Mode of issue* : (i) Second Senior MTNs: Bought deal basis
(ii) Third Junior MTNs: Private placement
- (xi) *Issued at par/premium/discount* : (i) Second Senior MTNs: Issued at a discount
(ii) Third Junior MTNs: Issued at par
- (xii) *Yield to maturity of the issue which is placed out via book building* : Not applicable
- (xiii) *Utilisation of proceeds* : To largely buy back and cancel the Existing MTNs
- (xiv) *Minimum and actual level of subscription* : 100%
- (xv) *Revisions to the rating, if any, since the date of the last drawdown* : Each class of MTNs in a notes series will carry its own rating. There has been no change to the rating of each class of MTNs for Notes Series 2014-A which was announced by RAM on 5 September 2014.