

## INDICATIVE PRINCIPAL TERMS AND CONDITIONS OF THE ASSET-BACKED SECURITIES

### 1. Issuer

- (i) *Name* Ara Bintang Berhad
- (ii) *Address* Suite 27-03, 27th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur
- (iii) *Company Registration No.* 878792-W
- (iv) *Date / Place of Incorporation* 12 November 2009 / Malaysia
- (v) *Date of Listing (in case of a public-listed company)* Not applicable
- (vi) *Status* Resident controlled company  
Non-Bumiputera controlled company
- (vii) *Principal Activities* The Issuer is set up to implement and carry out the proposed asset-backed securitisation under the MTN Programme as defined in Clause 4 below.
- (viii) *Board of Directors* The Board of Directors (as at 23 November 2009):-  
(1) Chia Siew Chin  
(2) Ng Lay Leng
- (ix) *Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders* As at 23 November 2009
- | Name of shareholder            | No. of ordinary shares held | Percentage of ordinary shares (%) |
|--------------------------------|-----------------------------|-----------------------------------|
| Equity Trust (Malaysia) Berhad | 2                           | 100%                              |

In addition, the Issuer will issue 100,000 preference shares of RM0.01 each for RM1,000.00 to SG REIT (M) Pte Ltd (Company No. 200921096D) (“**SG SPV**”), a wholly owned subsidiary of HSBC Institutional Trust Services (Singapore)

Limited, as trustee of Starhill Global Real Estate Investment Trust (“**SG REIT**”), prior to the first issuance of the MTNs.

(x) *Authorised capital / Paid up capital*

Authorised capital (as at 23 November 2009)  
RM100,000.00 comprising 2 ordinary shares of RM1.00 each and 9,999,800 preference shares of RM0.01 each.

Paid up capital (as at 23 November 2009)  
RM2.00 consisting of 2 ordinary shares of RM1.00 each fully paid.

In addition, the Issuer will issue 100,000 preference shares of RM0.01 each for RM1,000.00 to SG SPV prior to the first issuance of the MTNs.

2. *Originator*

(i) *Name*

Mayban Trustees Berhad (Company No. 5004-P) (“**REIT Trustee**”) as trustee for Starhill Real Estate Investment Trust (“**Starhill REIT**”)

(ii) *Address*

34th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur

(iii) *Company Registration No.*

5004-P

(iv) *Date / Place of Incorporation*

12 April 1963 / Malaysia

(v) *Date of Listing (in case of a public-listed company)*

Not applicable

(vi) *Status*

Resident Controlled Company  
Bumiputera Controlled Company

(vii) *Principal Activities*

Trustee services

(viii) *Board of Directors*

The Board of Directors as at 23 November 2009:-

- (1) Datuk Johar bin Che Mat
- (2) Dato’ Dr Tan Tat Wai
- (3) Zainal Abidin bin Jamal

(ix) *Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders*

As at 23 November 2009

Name of shareholder	No. of ordinary shares held	Percentage of ordinary shares (%)
Malayan Banking Berhad	20,000	20%
Myfin Berhad	20,000	20%
Mayban (Nominees) Sdn Bhd	20,000	20%
Mayban P.B. Holdings Sdn Bhd	20,000	20%
Mayban Nominees (S) Pte Ltd	20,000	20%

(x) *Authorised capital / Paid up capital*

Authorised capital as at 23 November 2009

RM2,000,000.00 comprising 200,000 ordinary shares of RM10.00 each

Issued and paid-up capital as at 23 November 2009

RM500,000.00 comprising 100,000 ordinary shares have been issued as partly paid up to the extent of RM5.00 each

3. *Names of parties involved in the proposed transaction*

- (i) *Principal Adviser(s) / Lead Arranger(s)* : AmlInvestment Bank Berhad (Company No. 23742-V) ("**AmlInvestment**")
- (ii) *Arranger(s)* : Not applicable
- (iii) *Valuers* : Raine & Horne International Zaki + Partners Sdn Bhd (Reg. No. VE (1) 0067/14)
- (iv) *Solicitors* : Messrs. Adnan Sundra & Low

- (v) *Financial Adviser* : Not applicable
- (vi) *Technical Adviser* : Not applicable
- (vii) *Guarantor* : Not applicable
- (viii) *Trustee* : Malaysian Trustees Berhad (Company No. 21666-V)
- (ix) *Facility Agent* : AmInvestment
- (x) *Primary Subscriber and amount subscribed (where applicable)* : In the event that the Senior MTNs (as defined in Clause 4 below) are issued on a bought deal basis, the primary subscriber(s) will be identified prior to issuance.  
The first issuance of the Junior MTNs (as defined in Clause 4 below) shall be subscribed by SG SPV.  
For the subsequent issuance of the Junior MTNs, in the event that the Junior MTNs are issued on a bought deal basis, the primary subscriber(s) will be identified prior to issuance.
- (xi) *Underwriter(s) and amount underwritten* : The MTNs may be underwritten on terms and conditions (including the amount to be underwritten) to be mutually agreed between the Issuer and the underwriter(s) selected by the Issuer.  
The underwriter(s) (if any) shall be identified prior to each issuance.
- (xii) *Central Depository* : Bank Negara Malaysia (“**BNM**”)
- (xiii) *Paying Agent* : BNM
- (xiv) *Reporting Accountant* : HLB Ler Lum Chartered Accountants
- (xv) *Others* :
- *Lead Manager* : AmInvestment
  - *Administrator* : EQ Corporate Services (Malaysia) Sdn Bhd (Company No. 463543-D)
  - *Tax Advisor* : KPMG Tax Services Sdn Bhd (Company No. 96860-M)

- *Servicer* : Just Heritage Sdn Bhd (Company No. 876524-X), a wholly-owned subsidiary of YTL Pacific Star REIT Management Limited
  - *Share Trustee* : For the Ordinary Shares  
Equity Trust (Malaysia) Berhad (Company No. 610812-W)
  - *Security Trustee* : Malaysian Trustees Berhad (Company No. 21666-V)
  - *Call Option Party* : HSBC Institutional Trust Services (Singapore) Limited, as trustee of SG REIT or a nominee.
  - *Master Tenant* : Katagreen Development Sdn Bhd (Company No 313803-U), a wholly owned subsidiary of YTL Land Sdn Bhd, which is in turn wholly owned by YTL Corporation Berhad (“**YTL**”)
  - *Tender Panel Members* : Persons to whom an issue of, or an offer or invitation to subscribe for, the MTNs would fall within Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the Capital Markets and Services 2007 as amended from time to time (the “**CMSA**”).  
  
The composition of the tender panel may be varied from time to time by the Issuer in consultation with the Lead Manager.
4. *Facility Description* : Asset-Backed Medium-Term Notes (“**MTNs**”) Programme (the “**MTN Programme**”) of up to RM1.25 billion in nominal value, arising from the securitisation of two (2) retail properties which is more particularly described below (hereinafter referred to as “**the Proposed Transaction**”)\*.
- The MTNs shall comprise Senior MTNs and Junior MTNs. The Senior MTNs and Junior MTNs shall collectively be referred to as the MTNs.
- Note:-
- \* The Proposed Transaction will involve the disposal by Starhill REIT to the Issuer of the following:-
- (i) Starhill Gallery – A shopping centre known as Starhill Gallery which comprises part of a 7-level building with 5 basements and a 12-level annex building with 3 basements, and

bearing postal address 181 Jalan Bukit Bintang, 55100 Kuala Lumpur and erected on part of the freehold land held under Geran No. 28678, Lot No. 1267, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan together with the assets appurtenant thereto for a purchase consideration of RM629 million; and

- (ii) Lot 10 Property – 137 strata parcels with 2 accessory parcels which consist of retail, office storage and other spaces within a shopping complex known as “Lot 10 Shopping Centre” which consists of an 8-storey building with a basement and a lower ground floor, together with a 7-storey annexe building with a lower ground floor, and bearing postal address 50 Jalan Sultan Ismail, 50250 Kuala Lumpur and held under leasehold master title Pajakan Negeri No. 11008 Lot No. 1247, Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan together with the assets appurtenant thereto for a purchase consideration of RM401 million;

Starhill Gallery and Lot 10 Property shall collectively be referred to as “**the Properties**”.

Pursuant to the Proposed Transaction, the Issuer shall also enter into a master tenancy agreement (“**Master Tenancy**”) with, inter alia, the Master Tenant, and YTL (as the Guarantor) for the rental of the master-tenanted areas of the Properties as defined in the Master Tenancy, for a period of three (3) years, with an automatic renewal for a further period of three (3) years and with a call option by the Master Tenant and a put option by the Issuer to renew for a further term of three (3) years thereafter. YTL shall guarantee the payment obligations of the Master Tenant throughout the tenancy period.

Post-acquisition, it is intended that modifications to and/or extensions of Starhill Gallery (“**Starhill Capex**”) will be carried out, resulting in the creation of additional lettable areas (“**New Lettable Area**”). The New Lettable Area will not form part of the master-tenanted areas demarcated under the Master

Tenancy. The Starhill Capex shall be funded via the issuance of Junior MTNs of up to RM50.0 million.

5. *Issue Size (RM)* : The issue size of the MTN Programme shall be up to RM1.25 billion comprising Senior MTNs and Junior MTNs.

The issue size for the first issuance of the MTNs is set out below:-

	Nominal value (RM 'million)
Senior MTNs	Up to 330
Junior MTNs	see Note
Total	Up to 1,035

*Note: The issue size of the Junior MTNs is to be determined subject to finalization of the issue size of the Senior MTNs and total MTNs to be issued.*

For subsequent issuances of MTNs, the issue size of the MTNs will be determined at the point of issuance and may comprise different classes of Senior MTNs and Junior MTNs, subject to the total MTNs outstanding being no more than RM1.25 billion.

6. *Issue Price (RM)* : The MTNs may be issued at par or at a discount or at a premium to face value.

The issue price shall be computed in accordance with the formula specified in the Rules on Fully Automated System For Issuing / Tendering ("**FAST**") issued by BNM, as amended and substituted from time to time ("**FAST Rules**") or such other applicable guidelines and rules as may be issued from time to time by relevant regulatory authorities.

7. *Tenor of the facility/  
issue* : Tenor of the MTN Programme

The MTN Programme shall have a maturity of 65 years from the date of first issuance which will take place within six (6) months from the date of the Securities Commission ("**SC**")'s approval.

Tenor of the MTNs

The Issuer may issue MTNs with tenors of more than 1 year and up to 65 years as the Issuer may select, provided that the MTNs

mature prior to or on the expiry of the MTN Programme.

For the first issuance of the MTNs, the MTNs shall have an Expected Maturity and Legal Maturity tabulated as follows:

	Expected Maturity (Number of years from date of issuance)	Legal Maturity (Number of years from date of issuance)
Senior MTNs	5.0	6.5
Junior MTNs	5.0	6.5

The tenor of the MTNs shall be as per the Legal Maturity of the respective class.

The Expected Maturity is the date earmarked for the Issuer to fully repay the MTNs before the Legal Maturity.

In the event the Issuer does not fully repay the Senior MTNs at the Expected Maturity, it will be a Trigger Event (as defined in Clause 25(A)(v) hereunder).

The Legal Maturity date is the final maturity date on which the MTNs must be fully repaid. Otherwise, it will be an Event of Default (as defined in Clause 23 hereunder).

The tenor of the Expected Maturity shall be determined by the Issuer for subsequent issuances of the MTNs and the tenor of the Legal Maturity for subsequent issuances of the MTNs shall be determined by the Rating Agency, prior to each issuance thereof.

8. *Interest / Coupon (%)* : Coupon on the Senior MTNs issued shall be based on a fixed rate to be determined prior to each issuance.  
*(please specify)*

Coupon on the Junior MTNs shall be based on a variable rate to be determined on each coupon payment date and capped at 12.00% per annum for the first issuance. The formula for the calculation of the coupon on the Junior MTNs is set out in Appendix 1 herein.

For subsequent issues of Junior MTNs, the coupon and/or cap rate for the coupon shall be determined prior to each issuance.

During the tail period between the Expected Maturity and Legal Maturity dates of the



Senior MTNs, the Senior MTNs' coupon rate will be stepped-up by a percentage per annum to be determined prior to the first issuance of the MTNs.

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 Senior MTNs (prior to or on the Legal Maturity date). After the Legal Maturity date, the Default Interest pursuant to Clause 25(A)(xv) shall apply on the amount unpaid.

9. *Interest Coupon payment frequency and basis* : The coupon payments of the Senior MTNs and the Junior MTNs shall be made quarterly in arrears based on actual number of days / 365 days.
10. *Yield to Maturity (%)* : The yield to maturity for the MTNs will be determined prior to each issuance.
11. *Security / Collateral (if any)* : The MTNs shall be secured by the following security, with the most senior rated MTNs ranking in the order of priority:-
- (i) First legal charge over the Properties (subject to (ii) below);
  - (ii) Prior to the issuance of the relevant strata title(s) in relation to the Starhill Gallery and transfer of the strata title(s) to the Issuer, first legal assignment over the lease agreement entered into between the Originator and the Issuer for a period of 30 years, which is renewable for successive periods of 30 years on a perpetual basis ("**Starhill Gallery Lease**") or charge over the Starhill Gallery Lease;
  - (iii) First legal assignment of the Issuer's rights under the sale and purchase agreement(s) entered into between the Issuer and the Originator in respect of the Properties ("**SPA**") and all the Issuer's beneficial rights in respect of the Properties;
  - (iv) First legal assignment over the Issuer's present and future rights, title, interest and benefits in and under the Master Tenancy;
  - (v) In the event of any termination or expiry of the Master Tenancy, first legal assignment of all tenancies entered

- into directly by the Issuer with the various tenants of the Properties;
- (vi) First legal assignment over the Issuer's present and future rights, title, interest and benefits in and under the declaration of trust as described in Clause 21(xiv);
  - (vii) Upon completion of Starhill Capex, first legal assignment of all tenancies to be entered into directly by the Issuer with the various tenants of the New Lettable Area;
  - (viii) Charge over the Designated Accounts (as defined in Clause 25(A)(iii) hereunder) and the credit balances therein;
  - (ix) First party first ranking fixed and floating charge to be created by the Issuer by way of debenture over all the present and future assets and undertakings of the Issuer;
  - (x) First legal assignment over the Issuer's present and future rights, title, interest and benefits in and under relevant insurance policies procured in respect of the Properties;
  - (xi) Irrevocable power of attorney to be granted by the Issuer in favour of the Security Trustee for the disposal of the Properties in the event of occurrence of a Trigger Event and/or declaration of an Event of Default;
  - (xii) First legal assignment over the Issuer's rights under the Call Option Agreement as defined in Clause 25(A)(vi);
  - (xiii) First legal assignment over the Issuer's rights under the Servicer Agreement (as defined in Clause 25(xiv) hereunder);
  - (xiv) First legal assignment over the Issuer's rights under the Administrator's Agreement (as defined in Clause 25(xiv) hereunder); and
  - (xv) Such other security as may be advised by the Solicitors, Rating Agency and Lead Arranger, and agreed by the Issuer.

12. *Details on utilisation of proceeds* : The proceeds raised from the first issuance of the MTNs shall be utilised by the Issuer as follows:

	Amount (RM' million)
(i) To settle the purchase consideration for the acquisition of the Properties from the Originator	1,030
(ii) To meet all expenses in relation to the acquisition of the Properties and upfront expenses in relation to the MTN Programme	Up to 5 <sup>^</sup>
Total	Up to 1,035

<sup>^</sup> *Actual amount may vary depending on actual expenses incurred. In the event that the actual amount shall be less than RM5.0 million, the difference shall be applied in accordance with the post-issuance cashflow waterfall as set out in Clause 25(A)(iii).*

The proceeds raised from subsequent issues of the MTNs shall be utilised by the Issuer to fund the Starhill Capex of up to RM50.0 million, to refinance the outstanding MTNs (whether wholly or in part), to meet contingencies, fees and expenses in relation to the MTN Programme, to fund the working capital requirement of the Issuer, and/or to fund the DSRA requirements (as defined in Clause 25(A)(iii) hereunder) (where applicable).

13. *Sinking Fund (if any)* : None.

14. *Rating*

- *Credit Rating Assigned [specify if it is indicative]* : For the first issuance of the MTNs:-

	Indicative Rating
Senior MTNs	AAA
Junior MTNs	Not rated

For subsequent issuance of the MTNs, there may be different classes of Senior MTNs with different ratings.

The subsequent issuance of the Junior MTNs may or may not be rated.

- Name of Rating Agency* : RAM Rating Services Berhad (Co. No. 763588-T) (“**RAM**”)

- 15. *Form and Denomination* : The MTNs shall be issued in accordance with (1) the Code of Conduct and Market Practices for the Malaysian Corporate Bond Market issued by the Institut Peniaga Bon Malaysia and approved by BNM (“**IPBM Code**”); (2) the rules on the scripless securities under the real time electronic transfer of funds and securities (“**RENTAS**”) system issued by BNM; and (3) the FAST Rules, or their replacement thereof (collectively the “**Code of Conduct**”) applicable from time to time. The RENTAS rules shall prevail to the extent of any inconsistency between the RENTAS rules and the IPBM Code.

Each issuance of the MTNs shall be represented by global certificates (in accordance with the Code of Conduct) to be deposited with BNM, which are exchangeable for definitive bearer certificates only in certain limited circumstances.

The denomination of the MTNs shall be RM1,000,000 or in multiples of RM1,000,000 at the time of issuance or if required, such other denominations in accordance with FAST and / or any other procedures / guidelines issued by the relevant authority(s).

16. *Mode of Issue* : The Senior MTNs will be issued on a bought deal basis, book-building, tender or private placement on best efforts basis.
- The first issuance of the Junior MTNs shall be subscribed by SG SPV.
- The subsequent Junior MTNs will be issued on a bought deal basis, private placement on best efforts basis or book-building basis.
17. *Selling Restrictions* : The MTNs may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons (the “**Eligible Persons**”) to whom the offer or invitation to purchase the MTNs would fall within:
- (i) at the point of issuance of the Senior MTNs and Junior MTNs, Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the CMSA;
- (ii) after the issuance of the Senior MTNs and Junior MTNs, Schedule 6 or Section 229(1)(b) and Schedule 9 or Section 257(3) of the CMSA.
- For the first issuance of the Junior MTNs, as the said Junior MTNs are not rated, they will not be tradeable or transferable.
18. *Listing Status* : The MTNs may be listed on Bursa Malaysia Securities Berhad under an Exempt Regime pursuant to Chapter 4B of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.
19. *Minimum Level of Subscription (RM or %)* : The minimum level of subscription for each issue that is not issued on a bought deal basis or on a private placement basis (each of which shall be fully subscribed) under the MTN Programme shall be ten percent (10%) of the size of a particular issue.
20. *Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained* : None.

21. *Conditions Precedent* : *Conditions Precedent for First Issuance*

To include but not limited to the following in form and substance acceptable to the Lead Arranger, where applicable, before the issue request to be issued by the Issuer to the Facility Agent:

- (i) Satisfactory completion and execution of all relevant legal documentation (“**Transaction Documents**”) (other than those which are not contemplated to be perfected prior to first issuance) and, where required, duly endorsed as exempted under Stamp Duty Exemption (No. 12) Order 2001;
- (ii) Approval of the SC and such other regulatory bodies in respect of the issue of the MTNs having been obtained;
- (iii) Approval of the regulatory bodies in Singapore in respect of the subscription of the Junior MTNs by the Primary Subscriber of the Junior MTNs (if applicable) having been obtained;
- (iv) Receipt of valuation report(s) on the Properties by a professional licensed valuer;
- (v) The Senior MTNs shall be assigned a rating of AAA by RAM;
- (vi) Receipt of a Board resolution of the Issuer authorising the issuance of the MTNs, the execution of the Transaction Documents and all other documents relevant thereto, and the opening of the Designated Accounts;
- (vii) Receipt of certified true copies of the certificate of incorporation, memorandum and articles of association, trust deed, Forms 24, 44 and 49, of each of the Issuer, the REIT Trustee and Master Tenant (where applicable);
- (viii) Receipt of a list of the Issuer’s authorised signatories and their respective specimen signatures;
- (ix) Receipt of satisfactory report of the relevant company search on the Issuer conducted at the Companies

- Commission of Malaysia (“**CCM**”) confirming that there are no charges that have been registered in the CCM against the Issuer’s assets (other than charges filed pursuant to the Transaction Documents);
- (x) Receipt of satisfactory winding-up search report or the relevant statutory declaration of the Issuer, Master Tenant and REIT Trustee;
  - (xi) Opening of the Designated Accounts;
  - (xii) Receipt of confirmation from the solicitors of the SPA in a form acceptable to the Lead Arranger that all conditions precedent have been satisfied or have been waived by the relevant party;
  - (xiii) Execution of novation agreements for the transfer of rights and obligations under the tenancy agreements executed between the REIT Trustee and the tenants (“**Tenancy Agreements**”) to the Master Tenant; or assignment(s) of the Tenancy Agreements in favour of the Master Tenant;
  - (xiv) Execution of a declaration of trust by the Master Tenant over the Tenancy Agreements (as novated or assigned) and all other tenancy agreements entered into by the Master Tenant directly with the tenants, if appropriate or required, in favour of (i) the Master Tenant, as beneficiary for so long as the Master Tenancy subsists; and (ii) the Issuer, as beneficiary, in the event and immediately upon any termination or expiration;
  - (xv) Receipt of a disclaimer statement addressed to the Trustee and Security Trustee from the existing financiers of the Originator to disclaim the Properties from the RM180.0 million term loan owing by the Originator;
  - (xvi) Issue of a satisfactory ‘true sale’ opinion from the Solicitors;
  - (xvii) Issue of a satisfactory legal opinion from the Solicitors as to the legality, validity and enforceability of all

relevant Transaction Documents;

- (xviii) Confirmation from the Solicitors that all the conditions precedent pertaining to the MTN Programme have been fulfilled and/or waived by the relevant party;
- (xix) Starhill REIT's unitholders' approval on the disposal of the Properties having been obtained;
- (xx) SG REIT's unitholders' approval on the subscription of the Junior MTNs and preference shares in the Issuer by SG SPV having been obtained; and
- (xxi) Such other conditions as may be advised by the Solicitors and agreed by the Issuer.

Conditions Precedent for Starhill Capex

Shall include but not limited to the following:

- (i) Approval from the relevant authorities (where applicable) have been obtained;
- (ii) Details of the Starhill Capex including the drawdown schedule being made available to the Facility Agent, Trustee and the Rating Agency; and
- (iii) Such other conditions as may be advised by the Solicitors / Rating Agency and agreed by the Issuer.

Conditions Precedent for Subsequent Issuances

Shall include but not limited to the following:

- (i) Satisfactory completion and execution of the tenancy agreements between the Issuer and the respective tenants upon expiry or termination of the Master Tenancy (where applicable);
- (ii) No Trigger Event and / or Event of Default has occurred and continues to subsist; and
- (iii) Such other subsequent conditions precedent as may be stipulated by the Lead Arranger and / or Solicitors and agreed by the Issuer.



22. *Representations and Warranties* : The representations and warranties by the Issuer including but not limited to the following:
- (i) The Issuer is a limited liability company duly incorporated and validly existing under the laws of Malaysia, has power to carry on its business and to own its property and assets and has complied in all material respects with all legal and regulatory requirements related to its business;
  - (ii) The execution, delivery and performance by the Issuer of the Transaction Documents are properly authorised and in compliance with the law;
  - (iii) The Transaction Documents constitute legal, valid, binding and enforceable obligations of the Issuer;
  - (iv) The Issuer has complied with all undertakings, covenants and other obligations under the Transaction Documents where non-compliance would have a Material Adverse Effect;  
**“Material Adverse Effect”** means material adverse effect on the financial condition of the Issuer which would materially and adversely affect the ability of the Issuer to perform any material obligations under the Transaction Documents and affect the ability of the Issuer to make any payment obligations under the MTNs.
  - (v) None of the assets, properties or rights of the Issuer are affected by any security interest other than those created or permitted under the relevant Transaction Documents; and
  - (vi) Any other Representations and Warranties as required by the Lead Arranger or advised by the Solicitors and agreed by the Issuer.

23. *Events of Default* : Events of default typical of a transaction of such nature, which may incorporate appropriate grace periods to be agreed, where applicable, including but not limited to:
- (i) Failure to pay any amount due under the Senior MTNs when due and payable including but not limited to the principal amount due on Legal Maturity;  
  
For the avoidance of doubt, failure to pay the principal amount of the Senior MTNs on Expected Maturity will not constitute an Event of Default;
  - (ii) Failure to pay any amount due under the Junior MTNs when due and payable on Legal Maturity.  
  
For the avoidance of doubt, non-payment of the variable coupon on the Junior MTNs on each coupon payment date (except for payments due on Legal Maturity) would not be a Trigger Event or an Event of Default;
  - (iii) The Issuer breaches its covenants, obligations and undertakings under the MTN Programme or any of the Transaction Documents (other than that stated in (i) and (ii) above) where such breach would have a Material Adverse Effect and which if in the reasonable opinion of the Trustee, is capable of remedy, is not remedied to the reasonable satisfaction of the Trustee;
  - (iv) Any misrepresentation or incorrect or misleading representation, warranty or statement in any material respect is made by the Issuer under any of the Transaction Documents and in the reasonable opinion of the Trustee, the same is materially prejudicial to the interests of the MTNs holders and in the case of a breach which is in the reasonable opinion of the Trustee is capable of being remedied, the Issuer does not remedy such breach;
  - (v) It becomes unlawful for the Issuer to perform its obligations under the MTN Programme and / or any of the Transaction Documents;

- (vi) The Issuer changes the nature or scope of its business beyond that which is permitted under its Memorandum and Articles of Association, suspends, ceases or threatens to suspend or cease a substantial part of its business operations;
- (vii) The Issuer repudiates any of the Transaction Documents;
- (viii) Revocation, withholding or modification of any relevant licence, consent, authorisation or approval which materially and adversely impairs the Issuer's ability to comply with the terms and conditions of the MTN Programme and / or any of the Transaction Documents;
- (ix) Any of the provisions in the Transaction Documents become ineffective, invalid or unenforceable and in the reasonable opinion of the Trustee such event is materially prejudicial to the interests of the MTNs holders;
- (x) Any other securities or financial indebtedness of the Issuer becomes due and payable prior to its stated maturity or where the security (if any) for such securities or indebtedness becomes enforceable and would have a Material Adverse Effect;
- (xi) A scheme of arrangement under section 176 of the Companies Act 1965 has been instituted against the Issuer;
- (xii) Any corporate action is taken or any legal proceedings are commenced for the winding-up of the Issuer (including where a winding-up order has been made against the Issuer or a resolution to wind up the Issuer has been passed), except where any such step is of a vexatious or frivolous nature and the Issuer has taken action in good faith to set aside such proceedings;
- (xiii) The Issuer becomes insolvent i.e. the Issuer:
  - (a) is or becomes unable to pay its

- debts as they fall due; or
- (b) suspends or threatens to suspend making payments (whether of principal or coupon or otherwise) with respect to all or any class of its debts or a moratorium is agreed or declared in respect of or affecting all or any substantial part of the indebtedness of the Issuer;
  - (xiv) A receiver has been appointed over the whole or a substantial part of the assets of the Issuer;
  - (xv) Where the relevant strata titles have been issued, the Charge over the Properties is not registered at the relevant Land Office / Registry for any reason whatsoever within a period of 12 months from the presentation date of the Charge over the Properties or such extended period as may be agreed between the Issuer and the Trustee, which consent shall not be unreasonably withheld; and
  - (xvi) any other Events of Default as prescribed by the SC's Guidelines on the Minimum Contents Requirements for Trust Deeds and / or as required by the Lead Arranger or advised by the Solicitors and agreed by the Issuer.

Upon the occurrence of an Event of Default, the Trustee may and shall, at the instruction of an agreed majority percentage of the holders of the most senior MTNs then outstanding, by written notice to the Issuer declare an Event of Default has occurred whereupon the Trust Deed and the Security Documents shall become immediately enforceable in accordance with their respective terms.

The Junior MTNs holders will not be able to declare an Event of Default ahead of the Senior MTNs holders provided that this restriction will not be applicable if there is no Senior MTNs outstanding at the time of declaration.

24. *Principal terms and conditions for warrants (where applicable)* : Not applicable.
25. *Other principal terms and conditions for the issue:*
- A *General Terms*
- (i) *Positive Covenants* Shall include but not limited to covenants that the Issuer shall:
- (i) At all times exercise reasonable diligence in carrying on and conducting its business in a proper and efficient manner, including ensuring, amongst others, that all necessary approvals or licences are obtained;
  - (ii) Perform all its obligations under the Transaction Documents;
  - (iii) Ensure compliance with the SC's requirements and conditions for the MTN Programme;
  - (iv) Maintain the Designated Accounts and pay and / or cause to be paid all amounts into such account and make payments and distributions from such account, only as permitted under the relevant Transaction Documents;
  - (v) Maintain its corporate existence and its right to carry on operations;
  - (vi) Prepare accounts in accordance with all relevant laws and applicable approved accounting standards and practices generally accepted in Malaysia;
  - (vii) Upon reasonable request and adequate prior notice from the Trustee:
    - (a) Make available for its inspection the whole of the accounting or other records of the Issuer as the Trustee may reasonably require; and
    - (b) Give to the Trustee such information as it may reasonably require with respect to the Issuer's affairs to enable the Trustee to discharge its duties

- and obligations as trustee under the Trust Deed to the extent permitted by law;
- (viii) Give notice to the Trustee promptly on becoming aware of any of the following including but not limited to:
    - (a) any substantial change in the nature of the business of the Issuer;
    - (b) Trigger Event, Event of Default, default or actual event of default under any contractual obligation of the Issuer which would have a Material Adverse Effect;
    - (c) any change in the withholding tax position or taxing jurisdiction of the Issuer; and
    - (d) any circumstance that has occurred which would have a Material Adverse Effect;
  - (ix) Notify the Rating Agency promptly on becoming aware of any of the following:-
    - (a) Any substantial change in the nature of the business of the Issuer;
    - (b) Any Trigger Event; and
    - (c) Any Event of Default;
  - (x) Take such reasonable steps as may have been notified by the Trustee following the occurrence of an Event of Default to remedy or mitigate the effect of the Event of Default or any other step as the Trustee may reasonably request;
  - (xi) To use its best endeavours (to the extent within its reasonable control) to facilitate the issuance of the strata title(s) in respect of the Starhill Gallery; and
  - (xii) Any other covenants as prescribed by the SC's Guidelines on the Minimum Contents Requirements for Trust Deeds and / or as required by the Lead Arranger or advised by the Solicitors and agreed by the Issuer.

- (ii) *Negative Covenants*
- Include but not limited to covenants that the Issuer shall not (without the prior written consent of the Trustee, which consent shall not be unreasonably withheld, where applicable):
- (i) Make any investments (save for Permitted Investments and any investment or securities permitted or contemplated under the Transaction Documents or incidental thereto) or any advances or loans to any party (save for advances or loans granted in the ordinary course of business);
  - (ii) Grant guarantees, indemnities or similar assurances against financial loss in respect of any indebtedness of any other party;
  - (iii) Incur any additional borrowings;
  - (iv) Change its equity capital structure;
  - (v) Add to, delete, vary or amend its Memorandum and / or Articles of Association;
  - (vi) Create over all or any part of Properties or any assets of the Issuer any security interest save and except as provided for in the Security Documents and liens and rights of set-off arising from the operation of law;
  - (vii) Cease or change the nature of its business as permitted under its Memorandum and Articles of Association nor carry on any business or engage in any activities not specifically authorised under its Memorandum of Association nor have any subsidiary;
  - (viii) Enter into any amalgamation, consolidation, merger, reconstruction, dissolution or winding up of itself;
  - (ix) Terminate, revoke or suspend the Transaction Documents;
  - (x) Transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Transaction Documents save and except to the Security Trustee as security under the MTN Programme or as may be contemplated under the Transaction

Documents;

- (xi) Transfer or dispose of any assets of the Issuer (save for transfer or disposal pursuant to the terms of the Transaction Documents);
- (xii) Do or suffer to be done any act, matter or thing whereby any insurance assigned to the Security Trustee may be rendered void, voidable or incapable of being effected, maintained or renewed;
- (xiii) Enter into any other contracts, agreements or other arrangements or commitments other than the Transaction Documents, except in the ordinary course of its business or as may be contemplated under the Transaction Documents;
- (xiv) Change its dividend distribution policy set out in the Memorandum and/or Articles of Association;
- (xv) Issue any securities of any kind whatsoever including notes, bonds, or debentures, other than (a) the MTNs; and (b) the preference shares issued or to be issued to the subscriber(s) of the Junior MTNs prior to the date of the Trust Deed;
- (xvi) Save for the Transaction Documents entered into on or before the date of trust deed and those entered into pursuant to the exercise of option or renewal contained therein, enter into any transactions with interested persons (including directors or substantial shareholders of the Issuer or persons connected with them) and the Issuer shall comply with the SC's Guidelines on the Minimum Contents Requirements for Trust Deeds in relation to such transactions; and
- (xvii) Any other covenants as prescribed by the SC's Guidelines on the Minimum Contents Requirements for Trust Deeds and / or as required by the Lead Arranger or advised by the Solicitors and agreed by the Issuer.

For avoidance of doubt, the approval of both the Senior MTN holders and Junior MTN holders shall be required in relation to



amongst others, the covenants set out in paragraphs (iii), (iv), (v), (vi), (vii), (viii), (xi) (save that the Senior MTN Holders may unilaterally dispose of the assets of the Issuer in accordance with the Transaction Documents upon the occurrence of a Trigger Event or Event of Default under the terms of the Senior MTNs), (xiv), (xv) and (xvi) above.

(iii) *Designated Accounts*

The Issuer is required to open the following Designated Accounts with a bank or financial institution with a minimum rating of at least P1/A3 from RAM or A+/MARC-1 from MARC or equivalent:-

- (i) Revenue Account;
- (ii) Escrow Account;
- (iii) Operation Account;
- (iv) Deposits Account; and
- (v) Debt Service Reserve Account.

Funds standing to the credit in any of the Designated Accounts may be invested in Permitted Investments (as defined in Clause 25A(iv) below), provided such funds utilised for Permitted Investments shall be remitted to the respective Designated Accounts in a timely manner before any payment obligations of the Issuer under the respective Designated Accounts become due and payable.

The application of proceeds in the Designated Accounts is subject to any amendment required by the Rating Agency or Lead Arranger and agreed by the Issuer.

**A) Revenue Account**

The Revenue Account shall be solely operated by the Security Trustee. The following shall be deposited into the Revenue Account: -

- (i) proceeds from the issuance of the MTNs save for the Junior MTNs issued specifically to fund the Starhill Capex;
- (ii) amounts received from the Master Tenant pursuant to the Master Tenancy;
- (iii) amounts received from the individual tenants upon termination or expiry of the Master Tenancy (where applicable);

- (iv) Upon completion of Starhill Capex, amounts received from the tenants of the New Lettable Area;
- (v) proceeds from the disposal of the Properties pursuant to the exercise of the Call Option or disposal to any other third party(ies);
- (vi) insurance proceeds relating to the Properties;
- (vii) proceeds from Permitted Investments invested from funds in the Revenue Account, including earnings therefrom; and
- (viii) any other monies received and / or paid to the Issuer from time to time (other than those required to be deposited in other Designated Account(s)).

First Issuance:

Proceeds shall be utilised in the manner as outlined in Clause 12: Details on Utilisation of Proceeds.

Subsequent Issuance:

The proceeds raised from subsequent issues of the MTNs shall be utilised by the Issuer to refinance the outstanding MTNs (whether wholly or in part), to meet contingencies, fees and expenses in relation to the MTN Programme, to fund the working capital requirement of the Issuer and/or to fund the DSRA Requirement (where applicable).

Post First Issuance (save for in the case of "Subsequent Issuance" as set out in the preceding paragraph):

Funds in the Revenue Account shall be applied in the order of priority as follows:

- (a) *With no occurrence of a Trigger Event or declaration of an Event of Default*
  - (i) payment of taxes and other statutory obligations due;
  - (ii) payment of fees and expenses of the Issuer (other than fees and expenses set out in the Operation Account) including

- fees, costs, charges, expenses and liabilities incurred by the Trustee, Security Trustee, Share Trustee, BNM, Rating Agency, Facility Agent, Administrator, Servicer, directors' fees and expenses of the Issuer, tax agent's fees and audit fees;
- (iii) contribution to the Operation Account, including the amount to fund any shortfall in the Operation Account arising from the expenditure being in excess of the amount set out in the budget report referred to in the Operation Account below;
  - (iv) contribution to the DSRA (as defined in Clause 25(A)(iii) herein) for the purposes of meeting any shortfall in the said account;
  - (v) payment of coupon due under the Senior MTNs;
  - (vi) payment of outstanding nominal value of Senior MTNs due or on Expected Maturity date;
  - (vii) setting aside fees and expenses pursuant to (i), (ii) and (iii) above due and payable in the next 3 months;
  - (viii) payment of coupon under the Junior MTNs;
  - (ix) payment of outstanding nominal value of Junior MTNs due or on Expected Maturity date; and
  - (x) payment of dividends on preference shares.
- (b) *With occurrence of a Trigger Event but prior to a declaration of an Event of Default*
- (i) payment of taxes and statutory obligations due;
  - (ii) payment of fees and expenses of the Issuer (other than fees and expenses set out in the

- Operation Account) including fees, costs, charges, expenses and liabilities incurred by the Trustee, Security Trustee, Share Trustee, BNM, Rating Agency, Facility Agent, Administrator, Servicer, directors' fees and expenses of the Issuer, tax agent's fees and audit fees;
- (iii) payment of the necessary Capital Expenditure (as defined in the clause on Operation Account) and Operating Expenditure (as defined in the clause on Operation Account) which cannot be deferred;
  - (iv) payment of coupon due under the Senior MTNs;
  - (v) payment of outstanding nominal value of the Senior MTNs due or on Expected Maturity date;
  - (vi) payment of the Operating Expenditure and Capital Expenditure save for those set out in (iii) above;
  - (vii) payment of or setting aside any fees, costs and expenses incurred or to be incurred in connection with or incidental to the winding up of the Issuer;
  - (viii) setting aside fees and expenses pursuant to (i), (ii), (iii) and (vi) above due and payable in the next 3 months;
  - (ix) payment of coupon under the Junior MTNs;
  - (x) payment of outstanding nominal value of the Junior MTNs due or on Expected Maturity date;
  - (xi) payment of dividends on preference shares; and
  - (xii) distribution to preference shareholder upon winding-up or return of capital.
- (c) *Upon Declaration of an Event of*

*Default*

- (i) payment of taxes and statutory obligations due;
- (ii) payment of outstanding fees and expenses of the Issuer (other than fees and expenses set out in the Operation Account) including fees, costs, charges, expenses and liabilities incurred by the Trustee, Security Trustee, Share Trustee, BNM, Rating Agency, Facility Agent, Administrator, Servicer, directors' fees and expenses of the Issuer, tax agent's fees, audit fees and receivers' remuneration;
- (iii) payment of the necessary Capital Expenditure and Operating Expenditure which cannot be deferred;
- (iv) payment of accrued and unpaid coupon and outstanding nominal value of the Senior MTNs;
- (v) payment of outstanding Operating Expenditure and Capital Expenditure save for those set out in (iii) above;
- (vi) payment of all fees, costs and expenses incurred or to be incurred in connection with or incidental to the winding up of the Issuer;
- (vii) payment of coupon (including any accrued and unpaid amount) and outstanding nominal value of the Junior MTNs;
- (viii) payment of dividends on preference shares; and
- (ix) distribution to preference shareholder upon winding-up or return of capital.

**B) Escrow Account**

The Escrow Account shall be operated solely by the Security Trustee. The proceeds from the

issuance of the Junior MTNs specifically for the purposes to fund the Starhill Capex will be deposited in the Escrow Account.

The funds in the Escrow Account shall be disbursed on a progressive basis based on the percentage of completion and/or as set out in a drawdown schedule for the Starhill Capex to be provided by the Servicer to the Trustee (where applicable).

Upon occurrence of a Trigger Event and/or declaration of an Event of Default(s), the amount standing in the Escrow Account shall remain in the Escrow Account and be used to fund the Starhill Capex until such time the Starhill Gallery is disposed of, wherein any balance in the Escrow Account shall be used for the payment of accrued and unpaid variable coupon payments and the outstanding nominal value of the Junior MTNs.

**C) Operation Account**

The Operation Account shall be operated solely by the Servicer on behalf of the Issuer.

Funds in this account are to be applied to meet the following, where applicable:-

- (i) operating expenditure, including operating, management and maintenance expenses as well as insurance premiums on the Properties (**“Operating Expenditure”**);
- (ii) capital expenditure, including refurbishment cost, repairs, rectification works (**“Capital Expenditure”**).

The Operation Account will be funded from the Revenue Account on a quarterly or such periodic basis as may be agreed with the Trustee based on the budget report prepared by the Servicer which is approved by the Trustee, such approval not to be unreasonably withheld. The budget report is to be furnished to the Trustee / Facility Agent and the

Rating Agency, every quarter in advance.

Any shortfall in the Operation Account shall be topped up from the Revenue Account within 5 business days from the date of receipt of the written request by the Servicer, provided that any shortfall in excess of 10% of the expenditure for the same corresponding period shall only be topped up from the Revenue Account upon obtaining the Trustee's approval which approval shall not be unreasonably withheld. Upon occurrence of a Trigger Event and/or declaration of an Event of Default(s), the amount standing in the Operation Account shall be transferred to the Revenue Account.

**D) Deposits Account**

The Issuer shall open a Deposits Account for the purpose of maintaining the rental deposits and other deposits (if any) from the Master Tenant or the individual tenants of the master-tenanted areas and the New Lettable Area, where applicable. The Deposits Account shall be operated solely by the Servicer on behalf of the Issuer.

The funds in this account will be applied to meet any refund of rental deposits or other deposits (if any) to the Master Tenant or the individual tenants of the master-tenanted areas and the New Lettable Area and/or set-off against payment due from the Master Tenant or the individual tenants, where applicable. However, any amount set-off against payment due from the Master Tenant will remain in the DSRA to meet the DSRA Requirement, where applicable.

In relation to the first issuance of the MTNs, the rental deposits and other deposits (if any) from the Master Tenant can be used for the following purposes:

- (i) To set aside fees and expenses due and payable in the next 3 months, as set out

in the cashflow waterfall structure for the Revenue Account; and

- (ii) To set aside the DSRA Requirement as defined in the clause on DSRA below.

Upon a declaration of an Event of Default, the Deposits Account shall be operated solely by the Security Trustee.

**E) Debt Service Reserve Account (“DSRA”)**

The Issuer shall open and maintain a DSRA for the purpose of meeting the coupon payments under the Senior MTNs as and when due and the DSRA shall be operated solely by the Security Trustee.

The Issuer shall at the start of each issuance date and at all times thereafter during the tenure of such issuance maintain a reserve requirement in the DSRA (“**DSRA Requirement**”). The DSRA Requirement for the first issuance of the Senior MTNs shall be an amount equivalent to the 6-months coupon payment obligations of the Senior MTNs and the DSRA Requirement for subsequent issuances shall be determined by the Rating Agency prior to each issuance thereof.

In relation to the first issuance of the MTNs, the DSRA Requirement can be in the form of rental and/or other deposits from the Master Tenant of equivalent value in cash as set out in the clause on “Deposits Account” above.

For subsequent issuances, the DSRA Requirement can be in the form of cash and/or rental and/or other deposit from the Master Tenant subject to rating agency's assessment.

In the event of a shortfall in the DSRA Requirement, the shortfall shall be topped up via withdrawal from the Revenue Account or from the issue proceeds of the subsequent issuances of the MTNs. Any amount withdrawn from the DSRA shall be topped up



within one (1) month, failing which a Trigger Event shall be deemed to have occurred.

Funds in the DSRA shall be utilised to meet any shortfall in the coupon payment due under the Senior MTNs until the declaration of an Event of Default.

Upon declaration of an Event of Default, the sum standing in the DSRA shall be transferred to the Revenue Account.

(iv) *Permitted Investments*

Permitted investments means the following:

- (i) Promissory notes, bonds, treasury bills and similar instruments issued or guaranteed by the Government of Malaysia or BNM;
- (ii) Other debt or capital market instruments of private entities subject to a minimum short term rating of P1 from RAM or MARC-1 from MARC and/or a minimum long term rating of AA3 from RAM or AA+ from MARC and which are denominated in Malaysian Ringgit;
- (iii) Deposits in accounts (including repos) and negotiable certificates of deposits and money market instruments of a financial institution with a minimum rating of AA3/P1 from RAM or AA+/MARC-1 from MARC and which are denominated in Malaysian Ringgit.

Permitted investments equivalent to the amount required to meet the payment obligations in the respective Designated Accounts are to mature at least 3 business days before the next payment date, save and except for investments in money markets instruments, such as time deposits, overnight repos, certificates of deposit or banker acceptances which are to mature at least 1 business day before the next payment date.

(v) *Trigger Event*

The occurrence of any of the following events will constitute a Trigger Event:

- (i) the Issuer fails to meet the DSRA Requirement within the period of one (1) month as set out in Clause (25)(A)(iii) herein;

- (ii) the issuer fails to maintain a Debt Service Cover Ratio (“**DSCR**”) of 1.5x. The DSCR is calculated based on the ratio of net property income to the Senior MTN coupon payments. The ratio shall be calculated by the Issuer’s auditors on a semi-annual basis based on the quarterly report of the Properties provided by the Servicer to the Trustee and the Rating Agency and/or the latest audited accounts of the Issuer (where applicable); or
- (iii) the Issuer fails to redeem the outstanding Senior MTNs on its Expected Maturity.

Upon the occurrence of a Trigger Event, the Trustee shall (provided the Call Option Party has not exercised the Call Option) be obliged to serve a notice (“**Trigger Event Notice**”) to the Call Option Party.

The Call Option Party shall within 14 business days (or such other period as may be mutually agreed) of receipt of the Trigger Event Notice, notify the Trustee of its decision to exercise the Call Option failing which the Security Trustee shall have the discretion to proceed with the disposal of the Properties to any other third parties.

The sale proceeds from the disposal of the Properties shall be deposited into the Revenue Account and shall be dealt with in accordance with the provisions stipulated therein.

The occurrence of a Trigger Event shall not constitute an Event of Default. The disposal of the Properties pursuant to the occurrence of a Trigger Event shall trigger redemption of the Senior MTNs and the Junior MTNs at their nominal value together with any unpaid and accrued coupon payments.

In the event the sale proceeds from the disposal of the Properties are not sufficient to redeem the Senior MTNs, the Senior MTNs holders shall have the right to declare an Event of Default.

(vi) *Call Option*

The Issuer will grant a call option over the Properties in favour of the Call Option Party and exercisable:

- (i) at least 3 months (or such other

longer period as may be mutually agreed) prior to the relevant Expected Maturity date of the outstanding Senior MTNs. In the event that the Senior MTNs are refinanced by further issuances of Senior MTNs under the MTN Programme ("Further Senior MTNs") and provided that the Call Option Party has not exercised the Call Option, the call option may be exercisable at least 3 months (or such other longer period as may be mutually agreed) prior to the relevant Expected Maturity date of such Further Senior MTNs; or

- (ii) within 14 business days (or such other period as may be mutually agreed) from the date of the notification by the Trustee that a Trigger Event has occurred; or
- (iii) within 14 business days (or such other period as may be mutually agreed) from the date of the notification by the Trustee that an Event of Default has been declared.

For the further avoidance of doubt, the Call Option is not limited to the first issuance of MTNs but may only be exercised once during the tenor of the MTN Programme.

#### Call Option Price

The net disposal proceeds which are net of disposal costs and taxes on property gains (if any) shall not be lower than the aggregate of the following amounts:-

- (i) the unpaid and accrued coupon payments and outstanding nominal value of the Senior MTNs;
- (ii) the unpaid and accrued coupon payments and outstanding nominal value of the Junior MTNs (if the Junior MTNs are not held by the Call Option Party or SG SPV or any entity controlled by the Call Option Party); and
- (iii) all outstanding fees and expenses due to all the parties to the securitisation transaction and / or being incurred by the Issuer (if any).

#### Mechanism for Redemption under (i) above

The Call Option Party may serve a notice on

the Trustee at least 3 months before the relevant Expected Maturity date of the outstanding Senior MTNs (or such other longer period as may be mutually agreed) informing the Trustee that it wishes to acquire both or any of the Properties at the Call Option Price on the relevant Expected Maturity date. The Trustee will in turn within seven (7) business days serve a notice to all the MTN holders and the Rating Agency informing them of the exercise of the Call Option.

Completion of the sale and purchase pursuant to the exercise of the Call Option is subject to terms and conditions and conditions precedent to be agreed between the parties.

Payment of the Call Option Price is to be made to the Trustee at least 2 days before the relevant Expected Maturity date of the outstanding Senior MTNs.

(vii) *Taxation*

All payments made under the MTNs shall be made free and clear of any present and future taxes, value-added taxes, withholdings, stamp duties, levies, deductions and charges of whatever nature imposed, levied, collected, withheld or assessed by or within Malaysia by any authority therein having such power to tax unless such withholding or deduction is required by the laws of Malaysia in which event the Issuer shall not be obliged to gross up for such withholdings or deductions.

(viii) *Trading*

The Senior MTNs shall be traded in the secondary market on willing-buyer willing-seller basis.

(ix) *Status*

The Senior MTNs will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank pari passu without discrimination, preference or priority among themselves, but subject to payments preferred under law and the Transaction Documents.

The Junior MTNs will constitute direct, unconditional and secured obligations of the Issuer, subordinated to the Senior MTNs and shall at all times rank pari passu without discrimination, preference or priority among themselves, but subject to payments preferred under law and the Transaction

Documents.

- (x) *Redemption* Unless previously purchased, cancelled or redeemed, the MTNs will be redeemed by the Issuer at their nominal value together with the interest accrued on their respective Legal Maturity dates.
- Notwithstanding the above,
- (i) the MTNs shall be redeemed by the Issuer upon disposal of the Properties pursuant to the exercise of the Call Option or otherwise;
  - (ii) the Issuer shall have the right to redeem the MTNs on each Expected Maturity date via proceeds from the issuance of new MTNs under the MTN Programme.
- (xi) *Repurchase and Cancellation* Except as may otherwise be prohibited by any law, regulations or guidelines, the Issuer may at any time purchase the MTNs in the open market or by private treaty. The MTNs purchased will be cancelled and may not be resold or reissued.
- (xii) *Servicer* The Servicer shall undertake the following functions on behalf of the Issuer, where required:
- (i) Carry out the management of the Properties or source for the relevant service providers and / or contractors and / or other party(ies) that are required for purposes of managing the Properties;
  - (ii) Negotiate and finalise the terms and conditions of appointment of such service providers and / or contractors and / or other party(ies) (including the remuneration payable in respect thereof);
  - (iii) Enter into and execute the relevant agreements with the abovementioned service providers and / or contractors and / or other party(ies) as the attorney, and on behalf of, the Issuer;
  - (iv) Set any relevant key performance indicators for the respective service providers and / or contractors and / or other party(ies); and
  - (v) Formulate the overall strategy in respect of the management,

development and refurbishment of the Properties; and

- (vi) Recommend and assist in determining the appropriate mix of financing or refinancing for any maturing MTNs.

(xiii) *Limited  
Recourse / No  
Petition*

The MTNs are issued on a limited recourse basis. This means that holders of the MTNs will have only the benefit of the Properties and the collections from and / or proceeds of realisation thereof, including amounts standing to the credit of the relevant bank accounts and all rights of the Issuer under the Transaction Documents, to satisfy their right to receive coupon payments and redemption of the principal of the MTNs.

Holders of the MTNs will also be deemed to have agreed (by their subscription or purchase of a MTN or the holding of a beneficial interest therein) not to petition for or join any person in petitioning for the winding up of the Issuer or otherwise institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other similar proceedings under any applicable laws.

(xiv) *Transaction  
Documents*

- (i) SPA
- (ii) Master Tenancy
- (iii) Programme Agreement
- (iv) Trust Deed
- (v) Junior MTNs Subscription Agreement
- (vi) Servicer Agreement
- (vii) Administrator's Agreement
- (viii) Depository and Paying Agency Agreement
- (ix) Security Documents
- (x) Deed of Trust
- (xi) Call Option Agreement
- (xii) Deed of Definition

and includes all other documents delivered in connection with the transactions contemplated in these Principal Terms and Conditions and as advised by the Solicitors and agreed with the Issuer.

- |       |                         |   |
|-------|-------------------------|---|
| (xv)  | <i>Default Interest</i> | 1% per annum above the respective coupon payment of the Senior MTNs on the amount unpaid from the relevant due date up to the date of actual payment, calculated based on the actual number of days elapsed and a year of 365 days. |
| (xvi) | <i>Governing Law</i>    | Laws of Malaysia and non-exclusive jurisdiction of the Courts of Malaysia.  |

## Appendix 1

Issuer shall pay the variable coupon payment on the Junior MTNs to the MTN Holders for the Junior MTNs, the amount of which shall be computed in accordance with the following formula:-

$$C = \frac{X}{N} \times \frac{365}{Y}$$

where:

C = Annualised interest rate

X = Net available cash for servicing interest in the Revenue Account which is attributable for the Variable Coupon Payment of the Junior MTNs based on the order of priority set out in Clause 25(A)(iii) herein plus any Issuance Expenses incurred in the preceding 3 months;

Issuance Expenses shall mean the following:

- (i) Debenture and security trustee fee;
- (ii) Rating annual surveillance fee;
- (iii) Facility agent fee;
- (iv) Bank Negara Malaysia annual membership fee;
- (v) Administrator fee;
- (vi) Share trustee fee;
- (vii) Tax agent fee;
- (viii) Valuer fee; and
- (ix) Such other expenses as may be determined by the Issuer and agreed by the Trustee on behalf of the MTN Holders for the Junior MTNs.

N = Nominal value of the Junior MTNs outstanding as at the Interest Payment Date

Y = The number of days from the relevant Issue Date or the last Interest Payment Date up to but excluding the current Interest Payment Date

For the avoidance of doubt, the variable coupon payment for the first issuance of the Junior MTNs is capped at twelve per centum (12.00%) per annum and shall be calculated on a cumulative annual basis by summing the amount of coupon paid or payable under the Variable Coupon Payment for each quarterly period.

The above formula may be modified, varied or amended subject to the consent of the Trustee with the Special Resolution of the MTN Holders for the Junior MTNs.