

STRICTLY PRIVATE AND CONFIDENTIAL

PREMIUM COMMERCE BERHAD

(Company No. 648636-X)

(Incorporated in Malaysia)

PRELIMINARY SUPPLEMENTARY INFORMATION MEMORANDUM

in respect of

**MEDIUM TERM NOTES SERIES 2010-B OF UP TO
NOMINAL VALUE RM250.00 MILLION**

in relation to the

**RM600 MILLION NOMINAL VALUE
ASSET-BACKED MEDIUM TERM NOTES PROGRAMME**

Principal Adviser, Lead Arranger & Lead Manager



CIMB INVESTMENT BANK BERHAD

This Preliminary Supplementary Information Memorandum is dated 11 November 2010.

This Preliminary Supplementary Information Memorandum must at all times, be read together with the Information Memorandum dated 8 June 2009 issued by the Issuer.

RESPONSIBILITY STATEMENT

This Supplementary Information Memorandum has been approved by the directors of Premium Commerce Berhad (the “Issuer”) and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their information and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Supplementary Information Memorandum false or misleading and, there is no material omission in this Supplementary Information Memorandum.

The directors of TC Capital Resources Sdn Bhd (“TCCR”) are responsible for all information relating to TCCR, including all information and data relating to the operations of TCCR and the portfolio of motor-vehicle hire purchase receivables of TCCR, and confirm that, after having made all reasonable enquiries, and to the best of their information and belief, there are no false or misleading statements or other facts the omission of which would make any information in relation to TCCR in this Supplementary Information Memorandum false or misleading and, in respect of such information, there is no material omission in this Supplementary Information Memorandum.

IMPORTANT NOTICE AND GENERAL STATEMENTS OF DISCLAIMER

This Supplementary Information Memorandum is provided on a confidential basis to potential investors for the sole purpose of assisting them to decide whether to subscribe for or purchase the asset-backed medium-term notes (“Notes”) to be issued under the RM600 Million Nominal Value Asset-Backed Medium Term Notes Programme comprising Class A Notes, Class B Notes and Class C Notes as described herein (“MTN Programme”).

At the point of issuance of the Notes, the Notes shall not be issued, offered, sold, transferred or otherwise disposed, directly or indirectly, nor shall any document or other material in connection therewith including this Supplementary Information Memorandum be distributed, in Malaysia to any person unless such issue, offer, sale, transfer or disposal to such person qualifies as an excluded issue, excluded offer or excluded invitation within the meaning of Schedule 6 or Section 229(1)(b), and Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the Capital Markets and Services Act, 2007 (as amended from time to time) (“CMSA”).

Subsequent to the issuance of the Notes, the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase the Notes will be subject to the selling restrictions that the Notes 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 who fall within any of the categories of persons specified under Schedule 6 or Section 229(1)(b) and Schedule 9 or Section 257(3) of the CMSA.

No application is being made to list the Notes on any stock exchange, nor is any such application contemplated.

This Supplementary Information Memorandum may not be, in whole or in part, reproduced or used for any other purpose, or shown, given, copied to or filed with any other person including, without limitation, any government or regulatory authority except with the prior consent of the Issuer or as required under Malaysian laws, regulations or guidelines.

The Issuer has authorised **CIMB Investment Bank Berhad (“CIMB”/ “Principal Adviser”/“Lead Manager”/“Lead Arranger”)** to distribute this Supplementary Information Memorandum. None of the information or data contained in this Supplementary Information Memorandum has been independently verified by the Principal Adviser, Lead Arranger and/or Lead Manager. Accordingly, no representation, warranty or undertaking, expressed or implied, is

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The information in this Supplementary Information Memorandum supersedes all other information and material previously supplied (if any) to the recipients save for the Information Memorandum dated 8 June 2009. By taking possession of this Supplementary Information Memorandum, the recipients are acknowledging and agreeing and are deemed to have acknowledged and agreed that they will not rely on any previous information supplied save for the Information Memorandum dated 8 June 2009. No person is authorised to give any information or data or to make any representation or warranty other than as contained in this Supplementary Information Memorandum and, if given or made, any such information, data, representation or warranty must not be relied upon as having been authorised by the Issuer, the Principal Adviser, Lead Arranger and/or Lead Manager or any other person.

This Supplementary Information Memorandum has not been and will not be made to comply with the laws of any foreign jurisdiction and has not been and will not be lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies in) any foreign jurisdiction and it does not constitute an issue or offer of, or an invitation to subscribe for or purchase, the Notes or any other securities of any kind by any party in any foreign jurisdiction.

This Supplementary Information Memorandum is not and is not intended to be a prospectus. Unless otherwise specified in this Supplementary Information Memorandum, the information contained in this Supplementary Information Memorandum is current as at the date hereof.

The distribution or possession of this Supplementary Information Memorandum in or from certain jurisdictions may be restricted or prohibited by law. Each recipient is required by the Issuer, Principal Adviser, Lead Arranger and Lead Manager to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer nor the Principal Adviser, Lead Arranger and/or Lead Manager accept any responsibility or liability to any person in relation to the distribution or possession of this Supplementary Information Memorandum in or from any such jurisdiction.

By accepting delivery of this Supplementary Information Memorandum, each recipient agrees to the terms upon which this Information Memorandum is provided to such recipient as set out in this Supplementary Information Memorandum, and further agrees and confirms that (a) it will keep confidential all of such information and data; (b) it is lawful for the recipient to subscribe for or purchase the Notes under all jurisdictions to which the recipient is subject; (c) the recipient has complied with all applicable laws in connection with such subscription or purchase of the Notes; (d) the Issuer, the Principal Adviser, Lead Arranger and/or Lead Manager and the respective directors, officers, employees and professional advisers of the Issuer and the Principal Adviser, Lead Arranger and/or Lead Manager are not and will not be in breach of the laws of any jurisdiction to which the recipient is subject as a result of such subscription or purchase of the Notes, and they shall not have any responsibility or liability in the event that such subscription or purchase of the Notes is or shall become unlawful, unenforceable, voidable or void; (e) it is aware that the Notes can only be offered, sold, transferred or otherwise disposed of directly or indirectly in accordance with the relevant selling restrictions and all applicable laws; (f) it has sufficient

knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Notes, and is able and is prepared to bear the economic and financial risks of investing in or holding the Notes; (g) it is subscribing for or accepting the Notes for its own account; and (h) it is a person to whom an issue, offer or invitation to subscribe or purchase the Notes would constitute persons falling within any one or more of the categories of persons specified in Schedule 6 or Section 229(1)(b), and Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the CMSA at issuance, and Schedule 6 or Section 229(1)(b) and Schedule 9 or Section 257(3) of the CMSA thereafter.

Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject.

This Supplementary Information Memorandum or any document delivered under or in relation to the issue, offer and sale of the Notes is not, and should not be construed as, a recommendation by the Issuer, the Principal Adviser, Lead Arranger and/or Lead Manager or any other party to the recipient to subscribe for or purchase the Notes. This Supplementary Information Memorandum is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all-inclusive. Each issue of the Notes will carry different risks and all potential investors are strongly encouraged to evaluate each issue on its own merit. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the Notes and all other relevant matters, and each recipient should consult its own professional advisers. All information and statements herein are subject to the detailed provisions of the respective agreements referred to herein and are qualified in their entirety by reference to such documents.

Neither the delivery of this Supplementary Information Memorandum nor the offering, sale or delivery of any Notes shall in any circumstance imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes or MTN Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Principal Adviser, Lead Arranger and Lead Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Supplementary Information Memorandum includes “forward looking statements”. These statements include, among other things, discussions on the projected profit and cash flows of the Issuer. All these statements are based on estimates and assumptions made by the Issuer that, although believed to be reasonable, are subject to risks and uncertainties that may cause actual events and the future results of the Issuer to be materially different from that expected or indicated by such statements and estimates and no assurance can be given that any of such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of a forward looking statement in this Supplementary Information Memorandum should not be regarded as a representation or warranty by the Issuer or any other person that the plans and objectives of the Issuer will be achieved.

All discrepancies (if any) in the tables included in this Supplementary Information Memorandum between the listed amounts and totals thereof are due to, and certain numbers appearing in this Supplementary Information Memorandum are shown after, rounding. Where this Supplementary Information Memorandum contains or refers to a summary of a document or agreement, the summary is not meant to be exhaustive. The contents of the summary may be subject to some other provisions in the relevant document or agreement.

This Supplementary Information Memorandum may include certain historical information, estimates, projections or reports thereon derived from sources mentioned in this Supplementary

Information Memorandum and other parties with respect to the Malaysian economy, the local motor industry and certain other matters. Such information, estimates, projections or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimate and projection or report thereon derived from such and other third party sources.

STATEMENTS OF DISCLAIMER – SECURITIES COMMISSION

In accordance with the CMSA, a copy of this Supplementary Information Memorandum will be deposited with the Securities Commission, who takes no responsibility for its contents.

The Securities Commission had on 4 April 2005 approved the issuance of the MTN Programme pursuant to the Securities Commission Act, 1993 and will be notified of the variation of the principal terms and conditions of the MTN Programme. Each recipient of this Supplementary Information Memorandum acknowledges and agrees that the approval of the Securities Commission shall not be taken to indicate that the Securities Commission recommends the subscription or purchase of the Notes.

The Securities Commission shall not be liable for any non-disclosure on the part of the Issuer and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Supplementary Information Memorandum.

CONFIDENTIALITY

This Supplementary Information Memorandum and its contents are strictly confidential and the information herein contained is given to the recipient strictly on the basis that the recipient shall ensure the same remains confidential. Accordingly, this Supplementary Information Memorandum and its contents, or any information which is made available to the recipient in connection with any further enquiries, must be held in complete confidence.

In the event that there is any contravention of this confidentiality undertaking or there is reasonable likelihood that this confidentiality undertaking may be contravened, the Issuer may, at its discretion, apply for any remedy available to the Issuer whether at law or equity, including without limitation, injunctions. The Issuer is entitled to fully recover from the contravening party all cost, expenses and losses incurred and/or suffered, in this regard. For the avoidance of doubt, it is hereby deemed that this confidentiality undertaking shall be imposed upon the recipient, the recipient's professional advisors, directors, employees and any other persons concerned with the Notes.

The recipient must return this Supplementary Information Memorandum and all reproductions thereof whether in whole or in part and any other information in connection therewith to the Lead Manager promptly upon the Lead Manager's request, unless that recipient provides proof of a written undertaking satisfactory to the Lead Manager with respect to destroying these documents as soon as reasonably practicable after the said request from the Lead Manager.

TABLE OF CONTENTS

Glossary of Definitions and Abbreviations	6
SECTION 1 INTRODUCTION	7
1.1 Transaction Overview	7
1.2 Principal Parties in relation to Notes Series 2010-B	8
SECTION 2 PRINCIPAL TERMS AND CONDITIONS OF THE NOTES SERIES 2010-B	9
SECTION 3 DESCRIPTION OF HIRE PURCHASE RECEIVABLES	14
3.1 Hire Purchase Receivables	14
3.2 Eligibility Criteria	14
3.3 Description of Preliminary Hire Purchase Receivables	16
3.4 Historical Cash Flow Profile and Level of Defaults	22
3.5 Projected Cash Flows of the Hire Purchase Receivables	23
SECTION 4 EXPECTED AVERAGE LIFE AND CREDIT ENHANCEMENT OF NOTES SERIES 2010-B.....	27
SECTION 5 INVESTMENT CONSIDERATIONS/RISK FACTORS	29
5.1 Considerations relating to the Notes	29
5.2 Considerations relating to the Hire Purchase Receivables	31
5.3 Considerations relating to the Projections	34
5.4 Other Considerations	35
5.5 Hire-Purchase (Amendment) Act 2010.....	35
SECTION 6 THE ISSUER – PREMIUM COMMERCE BERHAD.....	39
6.1 Background Information	39
SECTION 7 THE ORIGINATOR FOR NOTES SERIES 2010-B –TC CAPITAL RESOURCES SDN. BHD.	40
7.1 Background Information	40
SECTION 8 TRANSACTION DOCUMENTS.....	42
8.1 Introduction	42
8.2 Purchase Agreement Series Supplemental	42
8.3 Debenture	43
8.4 Deed of Assignment.....	43
8.5 Liquidity Facility Agreement	43
APPENDIX I PRE-SALE REPORT BY RAM RATING SERVICES BERHAD FOR NOTES SERIES 2010-B	

GLOSSARY OF DEFINITIONS AND ABBREVIATIONS

Terms used in this Supplementary Information Memorandum, except where the context otherwise requires, shall have the following meanings and the meanings ascribed to them in the Information Memorandum dated 8 June 2009 issued by the Issuer. The Supplementary Information Memorandum must, at all times, be read in conjunction with the aforesaid Information Memorandum.

IM Series 2009-A	Information Memorandum dated 8 June 2009 issued by the Issuer in relation to the issuance of Notes Series 2009-A in relation to the MTN Programme;
Notes Series 2010-B	the fourth series of Notes to be issued under the MTN Programme;
Originator	TCCR;
Servicer	TCCR.

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1 INTRODUCTION

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 this Supplementary Information Memorandum and the IM Series 2009-A.

1.1 Transaction Overview

The Issuer is a single purpose company incorporated under the Act. It is structured as a “bankruptcy remote” company and its entire shareholding is held by the Share Trustee. The Share Trustee is holding the shares in the Issuer on a discretionary trust in favour of certain charitable organisations. The Issuer has two independent directors and its administrative matters are handled by the Administrator.

The Issuer may issue up to RM600 million nominal value asset-backed medium term notes under a MTN Programme comprising Class A Notes, Class B Notes and Class C Notes. In relation to the Notes, Mayban Trustees Berhad will act as trustee for the Noteholders and security trustee for the holders of the Class A Notes. Further details of the Notes in general are set out in Section (A) in Section 2 of the IM Series 2009-A.

The Notes will be issued pursuant to the asset securitisation programme under which the Originator(s) will from time to time sell to the Issuer a pool of specifically-identified motor vehicle hire purchase receivables which are originated by the Originator(s) in the ordinary course of its/their respective business.

The Issuer will use part of the proceeds of the Notes to purchase from the Originator(s) the Hire Purchase Receivables. The sale of the Hire Purchase Receivables to the Issuer is further described in Section 1.3 of the IM Series 2009-A under the heading “Sale of the Hire Purchase Receivables”.

The first Notes Series, Series 2005-A, was issued on 20 May 2005. The second Notes Series, Series 2009-A, was issued on 19 June 2009. The third Notes Series, Series 2010-A, was issued on 3 May 2010. This current issuance shall represent the fourth securitisation of receivables under the MTN Programme. Further details relating to Notes Series 2010-B are set out in Section 2 of this Supplementary Information Memorandum. TCCR will be acting as the Servicer and the Originator for Notes Series 2010-B. As the Servicer in respect of Notes Series 2010-B, TCCR will collect the amounts due in respect of the Hire Purchase Receivables originated by TCCR on behalf of the Issuer. TCCR will use the sale proceeds of the Hire Purchase Receivables sold in respect of Notes Series 2010-B for working capital of TCCR and its affiliates as and when required.

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1.2 Principal Parties in relation to Notes Series 2010-B

<i>Issuer</i>	Premium Commerce Berhad (Company No. 648636-X)
<i>Originator</i>	TCCR
<i>Servicer</i>	TCCR
<i>Notes Trustee</i>	Mayban Trustees Berhad (Company No. 5004-P)
<i>Notes Security Trustee</i>	Mayban Trustees Berhad (Company No. 5004-P)
<i>Share Trustee</i>	Malaysian Trustees Berhad (Company No. 21666-V)
<i>Administrator</i>	SPV Corporate Services Sdn Bhd (Company No. 618251-U)
<i>Lead Manager & Lead Arranger</i>	CIMB Investment Bank Berhad (Company No. 18417-M)
<i>Facility Agent</i>	CIMB Investment Bank Berhad (Company No. 18417-M)
<i>Issue Agent</i>	CIMB Investment Bank Berhad (Company No. 18417-M)
<i>Central Depository & Paying Agent</i>	Bank Negara Malaysia
<i>Rating Agency</i>	RAM Rating Services Berhad (Company No. 763588-T)
<i>Liquidity Facility Provider</i>	For Notes Series 2010-B, the Liquidity Facility Provider will be a Financial Institution with a minimum credit rating of AA3/P1 or which is acceptable to the Rating Agency. The appointed Liquidity Facility Provider for Notes Series 2010-B is CIMB Bank Berhad (Company No. 13491-P).
<i>Interest Rate Swap Counterparty</i>	For Notes Series 2010-B, there will not be an appointment of an Interest Rate Swap Counterparty.
<i>Account Bank under which the Collection Account is maintained</i>	For Notes Series 2010-B, the Collection Account will be opened with a Financial Institution with a minimum credit rating of A1/P1 or which is acceptable to the Rating Agency. The Account Bank for Notes Series 2010-B is OCBC Bank (Malaysia) Berhad (Company No. 295400-W)

2 PRINCIPAL TERMS AND CONDITIONS OF THE NOTES SERIES 2010-B

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 this Supplementary Information Memorandum and IM Series 2009-A. Words and expression used and defined in this Section 2 shall, in the event of inconsistency with the definition sections of this Supplementary Information Memorandum, only be applicable for this Section 2.

*The information herein contains terms and conditions specific to the issue by Premium Commerce Berhad (the “**Issuer**”) of Notes Series 2010-B under the Asset-Backed Medium Terms Notes Programme of up to Nominal Value of RM600 Million (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 Information Memorandum dated 8 June 2009 and this Supplementary Information Memorandum (collectively the “**Memoranda**”) issued by the Issuer. Unless otherwise defined herein terms and conditions contained in the Memoranda shall prevail.*

The first Notes Series, Series 2005-A, was issued on 20 May 2005. The transaction involved the issuance of RM164 million Notes Series 2005-A and was completed on 20 May 2005. The second Notes Series, Series 2009-A, was issued on 19 June 2009. The transaction involved the issuance of RM159 million Notes Series 2009-A and was completed on 19 June 2009. The third Notes Series, Series 2010-A, was issued on 3 May 2010. The transaction involved the issuance of RM224 million Notes Series 2010-A and was completed on 3 May 2010.

The proposed transaction involves the issuance of the fourth Notes Series under the MTN Programme and will be known as Notes Series 2010-B. Notes Series 2010-B will be backed by the Hire Purchase Receivables generated pursuant the Sale and Purchase Agreement dated 8 June 2009 and the Purchase Agreement Series Supplemental to be entered into between the Originator, the Issuer and the Notes Trustee.

Further description of Hire Purchase Receivables are provided in Section B.

A. Notes Series 2010-B

- (i) *Originator & Servicer* : TC Capital Resources Sdn Bhd (Company No. 676721-D)
- (ii) *Solicitors* : Zul Rafique & partners
- (iii) *Issue* : Notes Series 2010-B will be issued on the Notes Series 2010-B Issue Date and will have a nominal value of up to RM250 million with the following serial tranches:
 - (i) Class A Tranche 1 Notes: RM32.00 million
 - (ii) Class A Tranche 2 Notes: RM105.00 million
 - (iii) Class A Tranche 3 Notes: RM46.00 million
 - (iv) Class A Tranche 4 Notes: RM5.00 million
 - (v) Class B Notes: RM5.00 million

-
- (vi) Class C Notes: RM16.25 million
- The current tranches have an aggregate nominal value of RM209.25 million. The Issuer may upsize the issuance up to RM250.00 million, in which case, the serial tranches above will be upsized in accordance with their current proportion having taken into account market convention.
 - Not all tranches may be issued. In the event any particular tranche is not issued, the remaining tranches will be renumbered accordingly.
 - Tranches shown are indicative only. Final tranching will be determined prior to issuance.
- (iv) *Preliminary Ratings* :
- (i) Class A Tranche 1 Notes: AAA
 - (ii) Class A Tranche 2 Notes: AAA
 - (iii) Class A Tranche 3 Notes: AAA
 - (iv) Class A Tranche 4 Notes: AAA
 - (v) Class B Notes: AA2
 - (vi) Class C Notes: Unrated
 - Not all tranches may be issued. In the event any particular tranche is not issued, the remaining tranches will be renumbered accordingly.
 - Tranches shown are indicative only. Final tranching will be determined prior to issuance.
- (v) *Transferability* :
- (i) Class A Notes: Tradable and transferable;
 - (ii) Class B Notes: Tradable and transferable; and
 - (iii) Class C Notes: Non-tradable and non-transferable.
 - Not all tranches may be issued. In the event any particular tranche is not issued, the remaining tranches will be renumbered accordingly.
 - Tranches shown are indicative only. Final tranching will be determined prior to issuance.
- (vi) *Tenure/Maturity Dates* :
- (i) Class A Tranche 1 Notes: 12 months
 - (ii) Class A Tranche 2 Notes: 36 months
 - (iii) Class A Tranche 3 Notes: 60 months

(iv) Class A Tranche 4 Notes: 84 months

(v) Class B Notes: 84 months

(vi) Class C Notes: 84 months

Failure to repay principal in full by the Maturity Date of any tranche of Class A Notes, Class B Notes and/or Class C Notes will constitute an Event of Default. However, principal may be repaid prior to the Maturity Date without penalty.

- Not all tranches may be issued. In the event any particular tranche is not issued, the remaining tranches will be renumbered accordingly.
- Tranches shown are indicative only. Final tranching will be determined prior to issuance.

(vii) *Coupon Rate* : Notes Series 2010-B will carry a fixed rate of interest based on the nominal value of the Notes as follows:

(i) Class A Tranche 1 Notes: [%] per annum

(ii) Class A Tranche 2 Notes: [%] per annum

(iii) Class A Tranche 3 Notes: [%] per annum

(iv) Class A Tranche 4 Notes: [%] per annum

(v) Class B Notes: [%] per annum

(vi) Class C Notes: [%] per annum

Subject to what is stated in Section (v) of the Principal Terms and Conditions as set out in the Information Memorandum dated 8 June 2009 under the heading “Failure to pay Coupon on Class C Notes”, if the Issuer fails to pay Coupon on the Class C Notes on any Payment Date such amount will accrue to the next Payment Date without penalty and without resulting in an Event of Default.

- Not all tranches may be issued. In the event any particular tranche is not issued, the remaining tranches will be renumbered accordingly.
- Tranches shown are indicative only. Final tranching will be determined prior to issuance.

(viii) *Scheduled Principal Balances* : The Scheduled Principal Balances of the Series 2010-B Class A Notes is:

	<u>RM million</u>
Class A Tranche 1 Notes:	
First Payment Date	32
Second Payment Date	22

Third Payment Date	12
Fourth Payment Date	Zero

Class A Tranche 2 Notes:

First to Fifth Payment Date	105
Sixth Payment Date	90
Seventh Payment Date	75
Eighth Payment Date	60
Ninth Payment Date	45
Tenth Payment Date	30
Eleventh Payment Date	15
Twelfth Payment Date	Zero

Class A Tranche 3 Notes:

First to Fifteenth Payment Date	46
Sixteenth Payment Date	36
Seventeenth Payment Date	26
Eighteenth Payment Date	16
Nineteenth Payment Date	6
Twentieth Payment Date	Zero

Class A Tranche 4 Notes:

First to Twenty Seventh Payment Date	5
Twenty Eighth Payment Date	Zero

For avoidance of doubt, failure to meet the Scheduled Principal Balances is not an Event of Default.

- Not all tranches may be issued. In the event any particular tranche is not issued, the remaining tranches will be renumbered accordingly.
- Tranches shown are indicative only. Final tranching will be determined prior to issuance.

B. The Hire Purchase Receivables

- (i) Eligibility Criteria : Additional eligibility criteria specific to the Hire Purchase Receivables Series 2010-B shall be:
- a Hire Purchase Receivable in respect of which the margin of finance is not greater than ninety percent (90%) of the cash purchase price of the vehicle;
 - a Hire Purchase Receivable which is for a vehicle for private motorcars or company motorcars or commercial vehicles, as registered with the Road Transport Department;
 - as of the Series Cut Off Date or Series Sale Date (as applicable), the aggregate outstanding principal balance of Hire Purchase Receivables which are for vehicles

registered as commercial vehicles shall not exceed 12% of the outstanding principal balance of the Hire Purchase Receivables Series;

- (d) a Hire Purchase Receivable which had a maximum initial amount financed of RM350,000;
- (e) a Hire Purchase Receivable in respect of which the remaining hire term is not more than eighty-four (84) months; and
- (f) a Hire Purchase Receivable which satisfies such other criteria which may be set out in the Transaction Documents (if any).

C. Sale of the Hire Purchase Receivables

- (i) Indicative Hire : 3.61%.
Purchase Discount Rate

D. Application of Funds

- (i) Collection Account and : Rating of the Financial Institution under which the
Liquidity Facility Collection Account for Notes Series 2010-B shall be opened shall be a minimum of A1/P1 (RAM) or a Financial Institution which is acceptable to RAM.

Rating of the Financial Institution under which the Liquidity Facility shall be obtained shall be a minimum of AA3/P1 (RAM) or a Financial Institution which is acceptable to RAM.

- (ii) Target Level of : Minimum of RM1,000,000 or 1% of the nominal
Liquidity Facility value of the Class A Notes.

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3 DESCRIPTION OF HIRE PURCHASE RECEIVABLES FOR THE ISSUANCE OF NOTES SERIES 2010-B

3.1 Hire Purchase Receivables

The Hire Purchase Receivables for the issuance of Notes Series 2010-B to be sold by the Originator to the Issuer were generated by the Originator in the ordinary course of its business in accordance with its normal credit policies and would include all of the Originator's rights, title and interest in and to the relevant hire-purchase agreements pursuant to which the Hire Purchase Receivables arise and all related security and insurance and other rights in connection thereto, including any proceeds from recoveries, fees and charges thereon.

3.2 Eligibility Criteria

The Hire Purchase Receivables must fully meet the Eligibility Criteria. In order to satisfy the Eligibility Criteria, the Hire Purchase Receivable is or will be as of the Series Sale Date:

- (a) a Hire Purchase Receivable which is absolutely beneficially owned by the Originator free and clear of all liens, encumbrances, charges and security interests;
- (b) a Hire Purchase Receivable which is payable in Ringgit Malaysia;
- (c) a Hire Purchase Receivable which is created in accordance with credit standards no less stringent than those generally applied by the Originator;
- (d) a Hire Purchase Receivable that has not been classified as having been written-off by the Originator in accordance with its usual practices generally applicable to its hire purchase business;
- (e) a Hire Purchase Receivable the maturity date of which is not later than the last day of the tenure of the Notes Series 2010-B;
- (f) a Hire Purchase Receivable which has not been selected by the Originator under selection procedures adverse to the Issuer or holders of the Notes;
- (g) a Hire Purchase Receivable meeting certain delinquency criteria, including the requirement that the hirer under the Contract has made at least three (3) monthly payments under the relevant Contract and under which not more than one (1) current monthly payment shall be in arrears as at the Series Sale Date;
- (h) a Hire Purchase Receivable together with the related security which was created in compliance with all requirements of law and pursuant to a Contract which complies with the relevant requirements of law;
- (i) a Hire Purchase Receivable with respect to which all material consents, licences, approvals or authorisations of, or registrations or declarations with, any governmental authority required to be obtained, effected or given in connection with the creation of such Receivable or the execution, delivery, creation and performance by the Originator of the related agreement pursuant to which such

Receivable was created have been duly obtained or given and are in full force and effect;

- (j) a Hire Purchase Receivable which will at all times be the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with the terms of the Contract;
- (k) a Hire Purchase Receivable, the terms of which have not been modified and with respect to which the Originator has not knowingly waived or acquiesced in any breach of any of its rights under or in relation to that Hire Purchase Receivable;
- (l) a Hire Purchase Receivable which is not at the Series Sale Date subject to any right of rescission, set-off, counterclaim or defence (including the defence of usury), other than statutory bankruptcy and insolvency defences;
- (m) a Hire Purchase Receivable with respect to which the Originator has satisfied all obligations to be fulfilled on or prior to the Series Sale Date, including, without limitation, payment of all amounts required to be made by it for the purchase of the relevant vehicle;
- (n) a Hire Purchase Receivable to which the Originator has done nothing, at the time of its transfer to the Issuer, to impair the rights of the Purchaser;
- (o) a Hire Purchase Receivable to which the Originator is not prohibited or restricted by law, contract or otherwise from effecting the transfer to the Purchaser free from all encumbrances;
- (p) a Hire Purchase Receivable which satisfies such other criteria which may be set out in the Transaction Documents (if any). In addition to the Eligibility Criteria described above, the Hire Purchase Receivables comprised in a Hire Purchase Receivables Series may have its own additional criteria which will be specified in the Purchase Agreement Series Supplemental. Additional eligibility criteria specific to the Hire Purchase Receivables Series 2010-B shall be:
 - (a) a Hire Purchase Receivable in respect of which the margin of finance is not greater than ninety percent (90%) of the cash purchase price of the vehicle;
 - (b) a Hire Purchase Receivable which is for a vehicle for private motorcars or company motorcars or commercial vehicles, as registered with the Road Transport Department;
 - (c) a Hire Purchase Receivable which had a maximum initial amount financed of Ringgit Malaysia Three Hundred and Fifty Thousand (RM350,000.00);
 - (d) a Hire Purchase Receivable in respect of which the remaining hire term is not more than eighty-four (84) months;
 - (e) as of the Series Cut Off Date or Series Sale Date (as applicable), the aggregate outstanding principal balance of Hire Purchase Receivables which are for vehicles registered as commercial vehicles shall not exceed 12% of the outstanding principal balance of the Hire Purchase Receivables Series; and

- (f) a Hire Purchase Receivable satisfying any other criteria specified in the Purchase Agreement Series Supplemental, if any.

3.3 Description of Preliminary Hire Purchase Receivables in relation to Notes Series 2010-B

The following tables describe a preliminary pool of hire purchase receivables owned by the Originator as of 30 September 2010.

Table 1: Original Loan Principal

Original loan principal (RM)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	40,000	266	7,858,600	3.40%	6,711,562	3.24%
>=	40,000	and <	60,000	838	40,205,800	17.41%	35,685,907	17.21%
>=	60,000	and <	80,000	1,194	80,942,303	35.06%	73,293,389	35.34%
>=	80,000	and <	100,000	819	71,116,880	30.80%	64,166,100	30.94%
>=	100,000	and <	120,000	243	25,215,500	10.92%	22,658,825	10.93%
>=	120,000	and <	140,000	36	4,411,000	1.91%	3,846,219	1.85%
>=	140,000	and <	160,000	1	147,000	0.06%	129,774	0.06%
>=	160,000	and <	180,000	0	0	0.00%	0	0.00%
>=	180,000	and <	200,000	0	0	0.00%	0	0.00%
>=	200,000	and <	220,000	0	0	0.00%	0	0.00%
>=	220,000	and <	240,000	1	220,000	0.10%	194,351	0.09%
>=	240,000	and <	260,000	2	505,000	0.22%	459,862	0.22%
>=	260,000	and <	280,000	1	260,000	0.11%	235,720	0.11%
Total				3,401	230,882,083	100%	207,381,709	100%
			Min				14,000	
			Max				260,000	
			Average				67,887	

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Table 2: Remaining Loan Principal

Remaining loan principal (RM)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	40,000	555	20,135,200	8.72%	16,991,267	8.19%
>=	40,000	and <	60,000	1,052	59,487,150	25.77%	52,877,475	25.50%
>=	60,000	and <	80,000	1,191	90,962,953	39.40%	82,694,775	39.88%
>=	80,000	and <	100,000	526	50,761,380	21.99%	46,134,954	22.25%
>=	100,000	and <	120,000	71	8,273,400	3.58%	7,540,966	3.64%
>=	120,000	and <	140,000	2	277,000	0.12%	252,338	0.12%
>=	140,000	and <	160,000	0	0	0.00%	0	0.00%
>=	160,000	and <	180,000	0	0	0.00%	0	0.00%
>=	180,000	and <	200,000	1	220,000	0.10%	194,352	0.09%
>=	200,000	and <	220,000	0	0	0.00%	0	0.00%
>=	220,000	and <	240,000	3	765,000	0.33%	695,582	0.34%
Total				3,401	230,882,083	100%	207,381,709	100%
			Min				8,447	
			Max				235,720	
			Average				60,977	

Table 3: Original Term Charges

Original term charges (RM)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	5,000	827	38,552,100	16.70%	32,532,262	15.69%
>=	5,000	and <	10,000	1,371	93,558,250	40.52%	83,716,110	40.37%
>=	10,000	and <	15,000	694	52,668,933	22.81%	48,725,810	23.50%
>=	15,000	and <	20,000	450	39,464,600	17.09%	36,388,141	17.55%
>=	20,000	and <	25,000	55	5,786,200	2.51%	5,246,842	2.53%
>=	25,000	and <	30,000	1	117,000	0.05%	106,978	0.05%
>=	30,000	and <	35,000	2	480,000	0.21%	430,071	0.21%
>=	35,000	and <	40,000	0	0	0.00%	0	0.00%
>=	40,000	and <	45,000	0	0	0.00%	0	0.00%
>=	45,000	and <	50,000	0	0	0.00%	0	0.00%
>=	50,000	and <	55,000	0	0	0.00%	0	0.00%
>=	55,000	and <	60,000	1	255,000	0.11%	235,495	0.11%
Total				3,401	230,882,083	100%	207,381,709	100%
			Min				396	
			Max				56,228	
			Average				8,891	

Table 4: Remaining Term Charges

Remaining term charges (RM)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	5,000	1,245	65,774,500	28.49%	55,868,124	26.94%
>=	5,000	and <	10,000	1,245	88,263,163	38.23%	79,923,877	38.54%
>=	10,000	and <	15,000	742	60,368,420	26.15%	56,060,944	27.03%
>=	15,000	and <	20,000	160	15,123,000	6.55%	14,271,479	6.88%
>=	20,000	and <	25,000	8	1,098,000	0.48%	1,021,790	0.49%
>=	25,000	and <	30,000	0	0	0.00%	0	0.00%
>=	30,000	and <	35,000	0	0	0.00%	0	0.00%
>=	35,000	and <	40,000	0	0	0.00%	0	0.00%
>=	40,000	and <	45,000	0	0	0.00%	0	0.00%
>=	45,000	and <	50,000	1	255,000	0.11%	235,495	0.11%
Total				3,401	230,882,083	100%	207,381,709	100%
			Min				142	
			Max				46,085	
			Average				7,203	

Table 5: Instalment

Installment (RM)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	1,000	762	36,040,500	15.61%	32,842,804	15.84%
>=	1,000	and <	1,500	1,485	102,785,783	44.52%	93,793,972	45.23%
>=	1,500	and <	2,000	706	53,729,820	23.27%	47,803,708	23.05%
>=	2,000	and <	2,500	266	22,339,380	9.68%	19,476,596	9.39%
>=	2,500	and <	3,000	95	8,122,500	3.52%	6,909,001	3.33%
>=	3,000	and <	3,500	57	4,354,900	1.89%	3,627,941	1.75%
>=	3,500	and <	4,000	14	1,448,200	0.63%	1,227,280	0.59%
>=	4,000	and <	4,500	7	768,000	0.33%	649,620	0.31%
>=	4,500	and <	5,000	1	107,000	0.05%	85,379	0.04%
>=	5,000	and <	5,500	3	304,000	0.13%	225,048	0.11%
>=	5,500	and <	6,000	0	0	0.00%	0	0.00%
>=	6,000	and <	6,500	1	260,000	0.11%	235,720	0.11%
>=	6,500	and <	7,000	0	0	0.00%	0	0.00%
>=	7,000	and <	7,500	0	0	0.00%	0	0.00%
>=	7,500	and <	8,000	1	250,000	0.11%	224,367	0.11%
>=	8,000	and <	8,500	0	0	0.00%	0	0.00%
>=	8,500	and <	9,000	0	0	0.00%	0	0.00%
>=	9,000	and <	9,500	0	0	0.00%	0	0.00%
>=	9,500	and <	10,000	0	0	0.00%	0	0.00%
>=	10,000	and <	10,500	0	0	0.00%	0	0.00%
>=	10,500	and <	11,000	3	372,000	0.16%	280,273	0.14%
Total				3,401	230,882,083	100%	207,381,709	100%
			Min				288	
			Max				10,538	
			Average				1,425	

Table 6: Flat Interest Rate

Interest Rate (%)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	1.99	276	14,671,700	6.35%	12,188,910	5.88%
>=	1.99	and <	2.00	603	45,179,450	19.57%	38,731,625	18.68%
>=	2.00	and <	2.20	0	0	0.00%	0	0.00%
>=	2.20	and <	2.40	362	28,291,850	12.25%	25,352,407	12.22%
>=	2.40	and <	2.60	491	36,878,350	15.97%	33,941,367	16.37%
>=	2.60	and <	2.80	944	60,621,700	26.26%	55,684,173	26.85%
>=	2.80	and <	3.00	354	23,671,820	10.25%	21,735,360	10.48%
>=	3.00	and <	3.20	127	7,416,900	3.21%	6,945,428	3.35%
>=	3.20	and <	3.40	173	10,303,013	4.46%	9,470,929	4.57%
>=	3.40	and <	3.60	71	3,847,300	1.67%	3,331,510	1.61%
Total				3,401	230,882,083	100%	207,381,709	100%
				Min			1.98	
				Max			3.55	
				Average			2.55	
				Weighted Average (against remaining principal)			2.46	
				Weighted Average (against original principal)			2.45	

Table 7: Effective Interest Rate

Effective Interest Rate (%)				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
>=	-	and <	3.80	262	14,287,700	6.19%	11,829,727	5.70%
>=	3.80	and <	4.00	617	45,563,450	19.73%	39,090,809	18.85%
>=	4.00	and <	4.20	0	0	0.00%	0	0.00%
>=	4.20	and <	4.40	269	19,819,850	8.58%	17,874,313	8.62%
>=	4.40	and <	4.60	104	9,285,900	4.02%	8,180,084	3.94%
>=	4.60	and <	4.80	253	22,343,550	9.68%	20,564,554	9.92%
>=	4.80	and <	5.00	231	13,971,900	6.05%	12,892,311	6.22%
>=	5.00	and <	5.20	242	17,046,900	7.38%	16,013,341	7.72%
>=	5.20	and <	5.40	707	44,016,900	19.06%	40,097,108	19.33%
>=	5.40	and <	5.60	219	15,669,670	6.79%	14,661,228	7.07%
>=	5.60	and <	5.80	161	9,465,350	4.10%	8,415,126	4.06%
>=	5.80	and <	6.00	107	6,241,600	2.70%	5,744,903	2.77%
>=	6.00	and <	6.20	139	8,465,313	3.67%	7,903,175	3.81%
>=	6.20	and <	6.40	49	2,788,400	1.21%	2,428,114	1.17%
>=	6.40	and <	6.60	33	1,628,600	0.71%	1,454,295	0.70%
>=	6.60	and <	6.80	8	287,000	0.12%	232,621	0.11%
Total				3,401	230,882,083	100%	207,381,709	100%
				Min			3.64	
				Max			6.69	
				Average			4.83	
				Weighted Average (against remaining principal)			4.72	
				Weighted Average (against original principal)			4.70	

Table 8: Original Term

				Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan	
Original tenure (mths)				Number of Loans				
>=	-	and <	36.00	308	15,865,600	6.87%	13,053,062	6.29%
>=	36.00	and <	42.00	358	19,109,200	8.28%	16,071,651	7.75%
>=	42.00	and <	48.00	2	160,000	0.07%	122,251	0.06%
>=	48.00	and <	54.00	794	55,573,400	24.07%	49,408,772	23.83%
>=	54.00	and <	60.00	0	0	0.00%	0	0.00%
>=	60.00	and <	66.00	967	64,621,263	27.99%	58,815,482	28.36%
>=	66.00	and <	72.00	0	0	0.00%	0	0.00%
>=	72.00	and <	78.00	130	9,278,700	4.02%	8,649,757	4.17%
>=	78.00	and <	84.00	0	0	0.00%	0	0.00%
>=	84.00	and <	90.00	704	54,631,220	23.66%	51,098,676	24.64%
>=	90.00	and <	96.00	0	0	0.00%	0	0.00%
>=	96.00	and <	102.00	128	11,018,300	4.77%	9,688,310	4.67%
>=	102.00	and <	108.00	0	0	0.00%	0	0.00%
>=	108.00	and <	114.00	10	624,400	0.27%	473,748	0.23%
Total			3,401	230,882,083	100%	207,381,709	100%	
			Min			12.00		
			Max			108.00		
			Average			58.28		
			Weighted Average (against remaining principal)			63.64		
			Weighted Average (against original principal)			63.03		

Table 9: Remaining Term

				Number of	Original	% of Original	Remaining	% of
Remaining tenure (mths)				Loans	Loan	Loan	Loan	Remaining
				Principal	Principal	Principal	Principal	Loan
>=	-	and <	18.00	26	1,295,800	0.56%	884,323	0.43%
>=	18.00	and <	24.00	284	14,623,700	6.33%	12,158,557	5.86%
>=	24.00	and <	30.00	137	7,296,700	3.16%	5,736,005	2.77%
>=	30.00	and <	36.00	231	12,562,600	5.44%	10,834,524	5.22%
>=	36.00	and <	42.00	224	16,342,250	7.08%	13,896,747	6.70%
>=	42.00	and <	48.00	583	40,045,750	17.34%	36,117,041	17.42%
>=	48.00	and <	54.00	377	25,702,450	11.13%	22,526,056	10.86%
>=	54.00	and <	60.00	580	38,431,813	16.65%	35,974,117	17.35%
>=	60.00	and <	66.00	27	2,046,800	0.89%	1,831,752	0.88%
>=	66.00	and <	72.00	109	7,610,800	3.30%	7,175,316	3.46%
>=	72.00	and <	78.00	277	22,980,920	9.95%	21,020,768	10.14%
>=	78.00	and <	84.00	521	39,708,600	17.20%	37,229,130	17.95%
>=	84.00	and <	90.00	25	2,233,900	0.97%	1,997,373	0.96%
Total				3,401	230,882,083	100%	207,381,709	100%
			Min				7.00	
			Max				84.00	
			Average				52.21	
			Weighted Average (against remaining principal)				55.54	
			Weighted Average (against original principal)				54.83	

Table 10: Margin of Finance

				Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
Margin of Finance (%)								
>=	-	and <	20	13	242,000	0.10%	200,445	0.10%
>=	20	and <	25	23	505,000	0.22%	423,831	0.20%
>=	25	and <	30	50	1,495,300	0.65%	1,223,651	0.59%
>=	30	and <	35	110	3,641,000	1.58%	3,088,556	1.49%
>=	35	and <	40	81	3,053,700	1.32%	2,634,068	1.27%
>=	40	and <	45	240	10,975,700	4.75%	9,512,239	4.59%
>=	45	and <	50	171	8,360,400	3.62%	7,350,654	3.54%
>=	50	and <	55	302	16,575,700	7.18%	14,671,667	7.07%
>=	55	and <	60	271	16,210,470	7.02%	14,538,848	7.01%
>=	60	and <	65	259	17,059,000	7.39%	15,285,990	7.37%
>=	65	and <	70	395	29,358,313	12.72%	26,528,240	12.79%
>=	70	and <	75	387	29,497,670	12.78%	26,785,201	12.92%
>=	75	and <	80	484	39,438,050	17.08%	35,842,477	17.28%
>=	80	and <	85	516	45,961,280	19.91%	41,624,346	20.07%
>=	85	and <	90	99	8,508,500	3.69%	7,671,496	3.70%
Total			3,401	230,882,083	100%	207,381,709	100%	
			Min			14.00		
			Max			85.00		
			Average			63.53		
			Weighted Average (against remaining principal)			68.35		
			Weighted Average (against original principal)			68.14		

Table 11: Vehicle Make

Vehicle Model			Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
		NISSAN	3,379	229,747,983	99.51%	206,463,816	99.56%
		OTHERS	22	1,134,100	0.49%	917,893	0.44%
Total			3,401	230,882,083	100%	207,381,709	100%

Table 12: New vs Old

Vehicle Make			Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
		NEW VEHICLE	3,304	226,715,683	98.20%	203,465,447	98.11%
		USED VEHICLE	97	4,166,400	1.80%	3,916,262	1.89%
Total			3,401	230,882,083	100%	207,381,709	100%

Table 13: Private vs commercial vehicles

Vehicle Registration		Number of Loans	Original Loan Principal	% of Original Loan	Remaining Loan Principal	% of Remaining Loan
	PRIVATE	3,334	227,826,683	98.68%	204,656,536	98.69%
	COMMERCIAL	67	3,055,400	1.32%	2,725,173	1.31%
Total		3,401	230,882,083	100%	207,381,709	100%

3.4 Historical Cash Flow Profile and Level of Defaults

The cash flow projections in section 3.5 are based on the assumptions derived from an analysis of the Originator's historical transactional data. The assumptions of delinquency, loss and recovery are based on the performance of Hire Purchase Receivables originated during the period commencing from March 2006 to July 2010.

Loss analysis assesses the delay in the scheduled principal and interest collections of the Hire Purchase Receivables from the scheduled collection month. Static loss curves were derived from the historical transactional data whereby monthly cumulative net loss ratios were tracked against the time from an account origination. Loss is defined as the balance of accounts exceeding 90 days past due. The Rating Agency has assumed that the monthly cumulative net losses peaked at approximately 1.25% of the original Hire Purchase Receivables balance in month 20 with increases of 0.02% per month thereafter.

In determining the recovery of defaulted Hire Purchase Receivables, the Rating Agency had assumed a recovery rate of 50.0% and a recovery delay of 12 months from month 20 or 33 months from the point of origination.

Prepayment of Hire Purchase Receivables disrupts future scheduled instalments resulting in early settlement of principal outstanding at the time of prepayment and in loss of future cash flow stream. Historical transactional data of the Hire Purchase Receivables demonstrated a fairly stable pattern of prepayment ratio. The Rating Agency had applied a prepayment ratio of between 0.30% and 1.25% per month. For the analysis, a prepayment rate of 0.33% per month was applied.

The default, recovery and prepayment assumptions used in the cash flow projections are as described above.

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3.5 Projected Cash Flows of the Hire Purchase Receivables in relation to Notes Series 2010-B

Based on the assumptions described below, the Hire Purchase Receivables are projected to generate the following cash flow:

	A	B	C	D	E	F	G	H = A+C+D+E+G
Month	Prin Pymt	Prin Default	Prepymt	Prin Recovery	Int Pymt	Int Default	Int Recovery	Collections HP Receivables
1	4,395,734	152,487	684,360	-	432,520	18,013	-	5,512,614
2	4,377,537	152,487	684,360	-	430,729	18,078	-	5,492,626
3	4,358,935	152,487	684,360	-	428,899	18,146	-	5,472,194
4	4,339,911	152,487	684,360	-	427,027	18,218	-	5,451,298
5	4,320,444	152,487	684,360	-	425,111	18,293	-	5,429,915
6	4,300,513	152,487	684,360	-	423,150	18,371	-	5,408,023
7	4,280,096	152,487	684,360	-	421,141	18,453	-	5,385,597
8	4,255,116	152,487	684,360	-	419,033	18,539	-	5,358,509
9	4,223,175	152,487	684,360	-	416,757	18,630	-	5,324,292
10	4,159,730	152,487	684,360	-	413,962	18,723	-	5,258,052
11	4,137,416	152,487	684,360	-	411,741	18,818	-	5,233,517
12	4,114,491	152,487	684,360	-	409,459	18,918	-	5,208,310
13	4,090,919	152,487	684,360	-	407,114	19,023	-	5,182,393
14	4,066,665	152,487	684,360	-	404,700	19,135	-	5,155,725
15	4,041,687	152,487	684,360	-	402,214	19,253	-	5,128,261
16	4,008,129	152,487	684,360	-	399,406	19,379	-	5,091,895
17	3,971,531	152,487	684,360	-	396,469	19,511	-	5,052,360
18	3,943,069	41,476	684,360	-	393,954	5,345	-	5,021,383
19	3,866,502	41,476	684,360	-	389,847	5,386	-	4,940,709
20	3,732,263	41,476	684,360	-	383,823	5,427	-	4,800,446
21	3,526,650	41,476	684,360	-	375,218	5,467	-	4,586,228
22	3,310,609	41,476	684,360	-	365,970	5,503	-	4,360,939
23	3,275,248	41,476	684,360	-	362,934	5,533	-	4,322,542
24	3,249,328	41,476	684,360	-	360,114	5,565	-	4,293,802
25	3,219,746	41,476	684,360	-	357,100	5,600	-	4,261,206
26	3,193,123	41,476	684,360	-	354,148	5,636	-	4,231,631
27	3,165,487	41,476	684,360	-	351,083	5,676	-	4,200,930
28	3,098,349	41,476	684,360	-	345,862	5,718	-	4,128,571
29	2,993,739	41,476	684,360	-	338,420	5,763	-	4,016,519
30	2,908,440	41,476	684,360	-	331,896	5,807	-	3,924,696
31	2,800,929	41,476	684,360	-	323,835	5,853	-	3,809,124
32	2,721,161	41,476	684,360	-	317,114	5,898	-	3,722,635
33	2,618,283	41,476	684,360	-	308,262	5,945	-	3,610,905
34	2,518,574	41,476	684,360	76,243	299,424	5,992	9,006	3,587,607
35	2,473,371	41,476	684,360	76,243	294,589	6,041	9,039	3,537,602
36	2,436,313	41,476	684,360	76,243	290,253	6,093	9,073	3,496,242
37	2,399,571	41,476	684,360	76,243	285,885	6,150	9,109	3,455,168
38	2,360,219	41,476	684,360	76,243	281,232	6,214	9,146	3,411,200
39	2,320,061	41,476	684,360	76,243	276,447	6,284	9,185	3,366,296
40	2,270,866	41,476	684,360	76,243	270,896	6,363	9,227	3,311,592

	A	B	C	D	E	F	G	H = A+C+D+E+G
Month	Prin Pymt	Prin Default	Prepymt	Prin Recovery	Int Pymt	Int Default	Int Recovery	Collections HP Receivables
41	2,117,667	41,476	684,360	76,243	258,179	6,451	9,270	3,145,719
42	1,948,550	41,476	684,360	76,243	244,199	6,538	9,315	2,962,667
43	1,682,198	41,476	684,360	76,243	222,895	6,622	9,362	2,675,058
44	1,511,842	41,476	684,360	76,243	206,545	6,688	9,409	2,488,399
45	1,363,382	41,476	684,360	76,243	190,965	6,746	9,459	2,324,409
46	1,243,892	41,476	684,360	76,243	177,559	6,799	9,512	2,191,566
47	1,191,443	41,476	684,360	76,243	170,689	6,848	9,567	2,132,302
48	1,147,406	41,476	684,360	76,243	164,456	6,900	9,627	2,082,092
49	1,102,405	41,476	684,360	76,243	158,020	6,959	9,689	2,030,717
50	1,053,845	41,476	684,360	76,243	151,085	7,026	9,756	1,975,289
51	1,001,217	41,476	684,360	20,738	143,573	7,102	2,673	1,852,561
52	889,462	41,476	684,360	20,738	130,127	7,189	2,693	1,727,380
53	738,039	41,476	684,360	20,738	111,917	7,274	2,713	1,557,767
54	645,245	41,476	684,360	20,738	99,490	7,346	2,734	1,452,567
55	556,853	41,476	684,360	20,738	87,143	7,415	2,751	1,351,845
56	466,643	41,476	684,360	20,738	74,113	7,484	2,767	1,248,621
57	352,490	41,476	684,360	20,738	57,719	7,550	2,783	1,118,090
58	247,653	41,476	684,360	20,738	42,250	7,600	2,800	997,801
59	199,341	41,476	684,360	20,738	34,278	7,631	2,818	941,535
60	155,284	41,476	684,360	20,738	26,740	7,660	2,838	889,960
61	109,938	41,476	684,360	20,738	18,931	7,692	2,859	836,826
62	61,533	41,476	684,360	20,738	10,598	7,729	2,881	780,110
63	9,747	41,476	684,360	20,738	1,679	7,771	2,904	719,428
64	-	41,476	85,389	20,738	-	7,819	2,926	109,053
65	-	-	-	20,738	-	7,874	2,949	23,687
66	-	-	-	20,738	-	7,937	2,972	23,710
67	-	-	-	20,738	-	8,008	2,996	23,734
68	-	-	-	20,738	-	8,090	3,020	23,758
69	-	-	-	20,738	-	8,186	3,047	23,785
70	-	-	-	20,738	-	8,301	3,075	23,813
71	-	-	-	20,738	-	8,441	3,107	23,845
72	-	-	-	20,738	-	8,622	3,142	23,880
73	-	-	-	20,738	-	8,867	3,181	23,919
74	-	-	-	20,738	-	9,220	3,225	23,963
75	-	-	-	20,738	-	9,767	3,269	24,007
76	-	-	-	20,738	-	10,731	3,311	24,049
77	-	-	-	20,738	-	12,546	3,344	24,082
78	-	-	-	20,738	-	16,478	3,373	24,111
79	-	-	-	20,738	-	34,594	3,399	24,137
80	-	-	-	20,738	-	-	3,424	24,162
81	-	-	-	20,738	-	-	3,450	24,188
82	-	-	-	20,738	-	-	3,480	24,218
83	-	-	-	20,738	-	-	3,513	24,251
84	-	-	-	20,738	-	-	3,551	24,289

Notes

- A** Principal cash collections from hirers
- B** Total principal portion of delinquency – non-cash items
- C** Early settlement by hirers
- D** Recovery from principal from delinquency
- E** Interest cash collections from hirers
- F** Total unearned interest on delinquency – non-cash items
- G** Interest on delinquency recovered, received in cash
- H** Total monthly collections from hirers

All discrepancies (if any) in the cash flow projections between the listed amounts and totals thereof are due to, and certain numbers appearing in this letter are shown after, rounding.

Key assumptions upon which the cash flow projections of the Hire Purchase Receivables is derived includes:

- a) The proposed initial pool size of the Hire Purchase Receivables to be acquired is RM207.4 million. The acquisition of the Hire Purchase Receivables will be financed by proceeds from the issuance of Notes which will be received on the Issue Date.
- b) The average effective interest rate of the Hire Purchase Receivables is 4.72% per annum.
- c) Delinquency
It is assumed that the first delinquency occurs in Month-1.

In line with the historical data, cash flows from the Hire Purchase Receivables assume a delinquency rate of 0.07% per month up to the cumulative peak of 1.25% of the original principal amount in Month-17 amounted to RM2,592,271. Thereafter the delinquency rate is assumed to increase by 0.02% every month up to the end of tenure.

- d) Recovery
The recovery rate of the defaulted amount of Hire Purchase Receivables is assumed at 50% and commences 33 months from the first month of delinquency.
- e) Prepayment
Prepayment of Hire Purchase Receivables disrupts future scheduled installments resulting in early settlement of the principal outstanding at the time of prepayment and loss in future cash flow stream. The monthly prepayment rate is at 0.33% of the original principal amount. Prepayment occurs from Month-1 to Month-64.
- f) The stress level is 1 time of historical static losses as described above.
- g) Expenses
The following fees and expenses are assumed based on amongst others, the Trust Deed, Agency Agreement, Administration Agreement and Servicing Agreement:
Fee to Servicer: 1.0% of collections from the Hire Purchase Receivables
Fee to other servicer providers: RM459,400 per annum.

- h) Liquidity Facility
A Liquidity Facility equivalent to a minimum of RM1,000,000 or 1.0% of the nominal amount of Class A Notes is made available to the Issuer. The commitment fee and interest rate on the Liquidity Facility is assumed to be 1.0% and 6.0% respectively.
- i) Income from permitted investment of 2.5% per annum.
- j) The corporate income tax rate is presumed to be 25.0% for Year of Assessment 2010 until the end of the projection period.

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4 EXPECTED AVERAGE LIFE AND CREDIT ENHANCEMENT OF NOTES SERIES 2010-B

Expected Average Life of Notes Series 2010-B

The average life of Notes Series 2010-B refers to the average amount of time each Ringgit Malaysia of the principal of the Notes that remains outstanding. Based on the key assumptions described in Section 3.5, the average life of the Notes Series 2010-B is:

Notes	Amount (RM)	Average Life (months)	Legal Maturity (months)
Class A Notes:			
Tranche 1 Notes	32.00 million	5	12
Tranche 2 Notes	105.00 million	20	36
Tranche 3 Notes	46.00 million	41	60
Tranche 4 Notes	5.00 million	52	84
Class B Notes	5.00 million	55	84
Class C Notes	16.25 million	84	84

The calculation of the above expected average life of Notes Series 2010-B assumes the following:

- (a) No breach of warranty which results in repurchase of the Hire Purchase Receivables by the Originator.
- (b) No occurrence of an Early Amortisation Event or Termination Event.
- (c) Performance pattern of the Hire Purchase Receivables and key assumptions as described in Section 3.5.
- (d) Stress level of 1 time historical static losses described in Section 3.4.

Credit Enhancement for Series 2010-B

The Collections received by the Servicer on behalf of the Issuer are intended to be sufficient to meet the Issuer's obligations to the Noteholders and other parties under the MTN Programme. The Noteholders have recourse only to the assets of the Issuer for repayment of the Notes.

- (a) Excess Spread: Term charges from the Hire Purchase Receivables are expected to exceed interest payable to the Noteholders and fees payable to the service providers. This excess spread provides a cushion for defaults and unanticipated fees.
- (b) Overcollateralisation: The principal amount due and payable by the Hirers to the Originator will be approximately RM207.38 million while the nominal

value of the rated Notes (i.e. Class A Notes and Class B Notes) is RM193.00 million. The overcollateralisation ratio for:

- Class A Notes: 10.31%
- Class B Notes: 7.45%

The final pool of receivables to be sold to the Issuer on the Series Sale Date with completion of such sale on the Issue Date and the commensurate overcollateralisation and excess spread levels may be different from that described in this Supplementary Information Memorandum.

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5 INVESTMENT CONSIDERATIONS/RISK FACTORS

The purchase or subscription of the Notes may involve substantial risk and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Notes. The following is a summary of certain investment considerations or risk factors of the issue which prospective investors should be aware of, but it is not intended to be exhaustive and does not purport to be complete. Prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth in this Supplementary Information Memorandum and the IM Series 2009-A prior to making an investment decision. Each Notes Series will carry different risks and all potential investors are strongly encouraged to evaluate each Notes Series on its own merit before investing in such Notes.

5.1 Considerations Relating to the Notes

(a) Liability under the Notes

The Class A Notes will be direct, secured and limited recourse obligations of the Issuer payable solely out of the assets charged by the Issuer to secure the Notes Series of which the Class A Notes form part. The Notes will not be obligations or responsibilities of any person other than the Issuer.

The Class B Notes and Class C Notes are subordinate to and rank after the Class A Notes. The Class C Notes rank after the Class B Notes. The Class C Notes are not rated and represent the 'first loss' piece in the event the Issuer is unable to meet its obligations, including payment of fees and expenses and amounts due under the Class A Notes and Class B Notes which are senior to the Class C Notes. Any loss as a result of delinquent Collections may affect the Issuer's ability to pay Coupon on the Class C Notes and to redeem the same. The magnitude and timing of such loss may impair the internal rate of return on the Class C Notes.

The Notes will not be obligations or responsibilities of any person other than the Issuer. In particular, it is to be noted that the Notes will not be obligations or responsibilities of, or guaranteed by, and there will be no recourse against the Originator, the Lead Manager, the Notes Trustee, the Servicer or any other person involved or interested in the MTN Programme. None of such persons will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes. The Issuer, as a single purpose company, has no significant assets other than the Hire Purchase Receivables and any moneys in the Collection Accounts.

The Class C Notes are not rated and not tradable nor transferable. This means the holders of Class C Notes cannot sell, assign or transfer the Class C Notes.

In addition, the holders of the Class B Notes and Class C Notes do not have the benefit of the security interests created by the Issuer as represented by the Deed of Assignment and the Debenture, in favour of the Notes Security Trustee to hold for the benefit of the holders of the Class A Notes.

However, the Notes Security Trustee will distribute amounts due to the holders of the Class B Notes and Class C Notes in accordance with the cash flow waterfall as provided in the Trust Deed. See also Section (E)(i) of Section 2 of IM Series 2009-A.

TCMH and/or its related corporations and affiliates will subscribe for Class C Notes for Notes Series 2010-B and may subscribe for the other classes of Notes.

(b) Rating of the Class A and the Class B Notes (if rated)

A rating is not a recommendation to purchase, hold or sell the Notes. There is no assurance that the rating(s) will remain in effect for any given period of time or that the rating(s) will not be lowered or withdrawn entirely if the circumstances in the future so warrant. It is not an obligation of the Issuer to maintain the ratings of the Class A Notes and the Class B Notes. In the event that the ratings initially assigned to the Class A Notes or the Class B Notes are subsequently lowered or withdrawn for any reason, no person or entity will be obligated to provide any additional credit enhancement with respect to the Class A Notes or the Class B Notes. Any reduction or withdrawal of the ratings may have an adverse effect on the liquidity and market price of the Class A Notes and the Class B Notes.

(c) Secondary Market for the Notes

The Notes will not be listed on the Bursa Securities or any other exchange. There can be no assurance that a secondary market for the Notes will develop or, if it does develop, that it will provide the Noteholders with liquidity of investment or that such market or any liquidity of investment which may develop will continue for the entire tenure of the Notes.

(d) Different Notes Series Issued

Each Notes Series issued as well as each class/type of Notes in each Notes Series issued will carry different risks and all potential investors are strongly encouraged to evaluate each Notes issue on its own merit.

(e) Restriction in Declaring an Event of Default

The holders of the Class B Notes in a particular Notes Series may only declare an Event of Default after the holders of the Class A Notes in that particular Notes Series have declared an Event of Default, or if all the Class A Notes of the same Notes Series have been fully redeemed.

The holders of the Class C Notes in a particular Notes Series may only declare an Event of Default after the holders of the Class B Notes in that particular Notes Series have declared an Event of Default, or if all the Class A Notes and Class B Notes of the same Notes Series have been fully redeemed.

For a particular Notes Series, any action taken by the holders of any higher ranking Notes shall bind the holders of the lower ranking Notes.

5.2 Considerations Relating to the Hire Purchase Receivables

(a) *Obligors' Default or Delinquency Risk*

The Issuer's principal source of cash flow to make payments of principal and interest under the Notes is derived from and limited to payments by the Obligors under the Contracts in relation to the Hire Purchase Receivables. There can be no assurance that the Obligors will be able to meet their respective payment obligations in accordance with the Contracts. As such, there is no guarantee that the cash flow generated will be timely or sufficient to ensure payment when due, or at all, of principal and interest of the Notes. The ability of the Obligors to meet their payment obligations is dependent on and may be adversely affected by numerous factors, including without limitation, changes in economic conditions or governmental rules, regulations or policies, which are beyond the control of the Issuer, the Originator, the Servicer, the Lead Manager or any other person involved or interested in the MTN Programme. In relation to this, potential loss to the Noteholders in the event of any shortfall in the payments by the Obligors is mitigated by the credit enhancement.

(b) *Realisable Value of the Motor-Vehicles*

In the event of default by the Obligors, a significant source of recoveries stem from the ability of the Servicer on behalf of the Issuer to repossess and sell the relevant motor-vehicles. There can be no guarantee that the motor-vehicles will have sufficient realisable value to meet, on a timely basis or at all, the payment obligations of the Obligors under the Hire Purchase Receivables. The realisable value of the motor vehicles will depend on the prevailing market conditions for motor vehicles and other external factors which are beyond the control of the Issuer, the Originator, the Servicer, the Lead Manager or any other person involved or interested in the MTN Programme. Again, in relation to this, the potential loss to the Noteholders in the event of any shortfall in the realised value of the motor vehicles is to some extent mitigated by the credit enhancement which includes the overcollateralisation and the excess spread.

(c) *Prepayment Consideration*

The principal amount under the Notes may be paid prior to their stated Maturity Dates. If the Collections are higher than expected, the holders of the Notes may receive principal repayment earlier than their stated Maturity Dates. This may arise if the rate of prepayment by the Hirers is beyond that expected. In relation to this, investors should give particular attention to the manner the Collections are applied as set out in Section 2 of the IM Series 2009-A. In addition, there may be prepayment if:-

- (i) there is a breach of representation or warranty with respect to the Hire Purchase Receivables by the Originator; or
- (ii) the Investment Amount in respect of a Hire Purchase Receivables Series falls below 5% of the Initial Investment Amount and provided the Class A Notes in a particular Notes Series have been repaid in full.

Investors must be able to bear any risk associated with a fluctuating and uncertain level of principal repayments, especially during a decreasing interest rate

environment. There can be no assurance as to the availability of adequate substitute investments at the time a Noteholder receives repayments of principal.

(d) *Equitable Assignment*

The sale of Hire Purchase Receivables by the Originator to the Issuer is to be effected by way of an equitable assignment. No notice of assignment will be given to the Obligors until the occurrence of a Notification Event. As long as the Hirers have not received the notice of assignment, the Hirers will continue to pay the Originator and receive a good discharge of their debts under the Contracts. In such a case, if the Originator receives payments from the Obligors but fails to make payments to the Issuer, the question arises whether the Issuer will be able to claim the amount from the Originator's assets. Since the collections are held by the Originator as servicer are impressed with a trust in favour of the Issuer, the Originator's liquidator will be obligated to pay over the amounts to the Issuer.

Further, while the assignment remains an equitable assignment, if the Originator commits a fraud and subsequently effects a legal assignment (where written notice of assignment is given to the third party) of the Hire Purchase Receivables to another person who has no notice of the assignment of the Hire Purchase Receivables to the Issuer, in its claim over the Hire Purchase Receivables, the subsequent assignee may obtain priority over the Issuer.

This risk is mitigated by the fact that giving a charge on assets it has already sold could be deemed to constitute fraud on the part of the Originator and the Originator could be liable to the Issuer for such acts. Further the trigger events are intended to occur before the Originator would be in financial distress and might be motivated to commit such an act of fraud.

(e) *True Sale of the Hire Purchase Receivables*

The sale of the Hire Purchase Receivables by the Originator to the Issuer has been structured to comply with the true sale criteria under the ABS Guidelines so that the sale will be deemed a true sale rather than a secured borrowing. Legal counsel for the transaction has issued an opinion to the effect that the transfer of the Hire Purchase Receivables would constitute a true sale rather than the grant of a security interest. This opinion will be subject to certain assumptions including:

- (i) the Originator has full legal and beneficial title to the Hire Purchase Receivables;
- (ii) the purchase price of the Hire Purchase Receivables to be paid by the Issuer is at fair market value;
- (iii) there are no contractual or other restrictions affecting the Originator which would restrict or prohibit the sale of the rights, interest and title to the Hire Purchase Receivables to the Issuer.

There can be no assurance that any or all of these assumptions will prove to be correct. If any of the assumptions prove to be incorrect or if a court of law concluded that the transaction was not a true sale but a secured borrowing, the Issuer would have no ownership interest in the Hire Purchase Receivables but would only have an

unsecured claim against the Originator. The lack of an ownership interest in the Hire Purchase Receivables would materially and adversely affect the Issuer's ability to repay both Coupon and principal on the Notes as the Issuer has no significant assets other than the Hire Purchase Receivables and any monies in the Collection Accounts and any proceeds thereof.

The Originator has taken steps to structure the transaction in accordance with the ABS Guidelines to minimize the risk that a court may consolidate the Issuer with the Originator for bankruptcy purposes or conclude that the sale was not a true sale.

(f) *Originator's Repurchase Obligations*

Under the Sale and Purchase Agreement and the Purchase Agreement Series Supplemental, the Originator will make certain warranties in respect of its Hire Purchase Receivables. If any of such warranties were untrue or incorrect, the cash flow derived from the Hire Purchase Receivables could be adversely affected, which in turn could adversely affect the ability of the Issuer to make Coupon and principal payments under the Notes. It is provided in the Sale and Purchase Agreement that if the Originator breaches any warranty which materially and adversely affects the interest of the Issuer in any of the Hire Purchase Receivables, the Originator is obliged to either (a) cure such breach in all material respects to the satisfaction of the Issuer and the Notes Trustee or (b) purchase such Hire Purchase Receivables from the Issuer at a price equal to the aggregate of:-

- (a) the outstanding principal balance of the Hire Purchase Receivables on the date of the repurchase;
- (b) accrued terms charges on the Hire Purchase Receivables up to the date of the repurchase; and
- (c) if the date of the repurchase does not coincide with a Coupon Payment Date, interest on the outstanding principal balance of the Hire Purchase Receivables described in sub-paragraph (a) above computed at the weighted average effective rate of interest converted from the flat rates or terms charges for the portion of the pool of the Hire Purchase Receivables which are the subject of the repurchase from the repurchase date until (but excluding) the next Coupon Payment Date,

Provided Always that any Collections in respect of such Hire Purchase Receivables received from and after such date of repurchase shall belong to the Originator. If the date of repurchase falls on a Coupon Payment Date, the Originator shall pay the purchase price to the Issuer on that Coupon Payment Date. If the date of repurchase does not fall on a Coupon Payment Date, the Originator shall pay the purchase price on the next Coupon Payment Date. However there is no assurance that the Originator will have sufficient resources at such time or be in a position to cure such breach or repurchase the affected Hire Purchase Receivables.

(g) *Non-compliance of the HP Act*

The Originator may have in respect of certain of its hire purchase receivables not complied strictly with the provisions of the HP Act which may render the hire purchase agreement void (Section 4(4) of the HP Act), in which case the Originator may not be able to seek restitutionary relief to deny the hirer's claim for the return of the monies or instalments paid under the hire purchase agreement or may result in the hire purchase agreement being unenforceable against the hirer and/or the guarantor.

However, as at the date of this Supplementary Information Memorandum, none of the Obligors have raised the non-compliance of the HP Act as a defence to the Originator's claim for delinquent payments. The Originator is of the view that its credit assessment policy and standard operating procedures are able to mitigate the potential impact of any non-compliance with the provisions of the HP Act.

Given the aforesaid non-compliance, such hire purchase receivables will not fulfil the Eligibility Criteria and do not qualify for sale to the Issuer.

5.3 Considerations Relating to the Projections

(a) *Cash Flow Projections*

The cash flow projections as set out in Section 3.5 of this Supplementary Information Memorandum are based on assumptions which the Directors of the Issuer believe to be reasonable based on the conditions prevailing at the time of preparation of the said cash flow projections. However, these assumptions are subject to uncertainties and contingencies. There can be no assurance that the cash flow projections contained herein will indeed be realised and actual results may be materially different from those stated herein. Investors are deemed to have read and understood the assumptions and uncertainties underlying the cash flow projections contained herein.

(b) *Forward Looking Statements*

Certain statements in this Supplementary Information Memorandum are based on historical data which may not be reflective of future results. Other statements which are forward-looking in nature are also subject to uncertainties and contingencies.

All forward-looking statements are based on estimates and assumptions made by the Directors of the Issuer, and although believed to be reasonable by the Directors of the Issuer, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Supplementary Information Memorandum should not be regarded as a representation or warranty by the Issuer or its advisers or the Lead Manager that the plans and objectives of the Issuer will be achieved.

5.4 Other Considerations

(a) *Servicing Risk*

Pursuant to the Servicing Agreement, TCCR as the Servicer is required to provide administration, collection and other services in relation to the Hire Purchase Receivables in respect of Notes Series 2010-B. Failure by the Servicer to perform or observe any of the covenants and obligations under the Servicing Agreement may constitute a Servicer Event of Default as defined therein upon which the appointment of the Servicer may be terminated and a substitute servicer may be appointed. A suitable substitute servicer with the necessary experience may not be readily available. The Rating Agency may also require that the substitute servicer to be rated. Further, a change in servicer could cause delays in servicing the Hire Purchase Receivables, which may result in delays in payment under the Notes. The ability and speed of any replacement servicer to perform the same services would depend, among other things, on the information and records then available to it and the compatibility of its information systems with that of the Originator. If a Servicer Event of Default as defined in the Servicing Agreement, in the opinion of the Notes Trustee, has or could have a material adverse effect on the ability of the Issuer to perform all or any of its obligations under the Issue Documents, it would constitute an Event of Default under the Notes. For further details on the Servicing Agreement, please refer to Section 10.4 of the IM Series 2009-A.

(b) *Co-mingling Risk*

Hirers will make payments to TCCR as Servicer. The amount of such Collections will be required to be deposited into the Series Collection Account within one Business Day of receipt by the Servicer. If the Servicer were to become insolvent, the Hirers would be notified in writing to make payments directly to the Notes Trustee or any party appointed by the Notes Trustee. However, if Collections were received by the Servicer prior to such notification being received by the Hirers, the Issuer would need to institute a claim against the Originator's bankruptcy estate for the return of the Collections. This risk is mitigated by tagging the Hire Purchase Receivables and the Collections in its collection system as belonging to the Issuer and by providing for the giving of written notice of assignment to the Obligors on the occurrence of any Notification Event. In such situations, the Issuer would have direct recourse against the Obligors even though they have made payments to the Servicer. The same issue may arise if the Issuer were to become insolvent. However the Issuer is structured to be a "bankruptcy remote" company.

In the event of the Issuer's insolvency, since the Issuer had already assigned the Hire Purchase Receivables comprised in the Hire Purchase Receivables Series by way of charge to the Notes Security Trustee (who is to hold for the benefit of the holders of the Class A Notes of the Notes Series issued to fund the purchase of such Hire Purchase Receivables Series) and created a debenture by way of a fixed charge over the Hire Purchase Receivables comprised in the Hire Purchase Receivables Series, the related security, collections and proceeds in respect thereof, the liquidator of the Issuer will be bound by such prior security interest.

(c) *No Independent Investigations*

None of the Issuer, the Lead Manager, the Notes Trustee nor the agent, adviser or affiliate thereof, has undertaken or will undertake any investigations or other actions to establish the creditworthiness of any of the Obligors or whether default is reasonably likely to occur in respect of any of the Hire Purchase Receivables. None of such parties makes any representation or warranty in relation to the creditworthiness of any of the Notes or whether default is reasonably likely to occur in respect of any of the Hire Purchase Receivables.

(d) *Change of Law*

The structure of the transaction and the issue of the Notes are based on Malaysian law, tax and administrative practice in effect at the date hereof and having due regard to the expected tax treatment of all relevant statutes under such law and practice. No assurance can be given that Malaysian law, tax or administrative practice will not change after the date hereof or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Further, the law on hire purchase of motor vehicle is principally regulated by the HP Act which provides for a number of protections to the hirers (for a summary of the provisions in the HP Act, see Section 3.2 of the IM Series 2009-A). There has been a trend in recent years for the Malaysian Government to pass new laws or regulations and amend the current laws or regulations in order to enhance protection to consumers (for a summary of some of the latest amendments to the HP Act, see section 5.5 of this Supplementary Information Memorandum). Such change in law may affect the current operation relating to the Hire Purchase Receivables and may restrict the ability of the Servicer to effectively carry out its services.

There can be no guarantee as to the tax treatment of the relevant parties by the tax authorities.

(e) *Potential Conflict of Interest*

The directors of the Issuer are also currently directors and shareholders of the Administrator. However, the Administration Agreement entered into between the Administrator and the Issuer pursuant to which the Administrator will be providing professional services to the Issuer will be based on arm's length terms. There may be a potential conflict of interest, inter alia, in the event the Administrator defaults in its duties as Administrator as the directors of the Issuer may be reluctant to commence action against the Administrator since the Issuer and the Administrator share the same directors. However, this potential conflict of interest is mitigated in the following manner:

The Administration Agreement which will govern the terms and conditions of the appointment of the Administrator will be entered into between the Issuer, the Administrator and the Notes Trustees. The duties of the Administrator are clearly set out in the Administration Agreement and includes the Administrator ensuring that the directors of the Issuer carry out their fiduciary duties properly and execute the relevant documents and/or agreements relating to the MTN Programme. In the event the Administrator fails to carry out its duties in accordance with the Administration Agreement and since the Notes Trustee is a party to the Administration Agreement,

the Notes Trustee could enforce the Administration Agreement and, inter alia, require the Administrator to retire from its appointment at any time. In addition, the Share Trustee being the sole shareholder of the Issuer could also pursuant to Article 76 of the Articles of Association of the Issuer remove the directors of the Issuer.

Save as disclosed above, the Board of Directors of the Issuer is not aware of any situations that would give rise to a conflict or potential conflict of interest in respect of the MTN Programme. The Board of Directors of the Issuer have been fully informed of and is aware of the above potential conflict of interest situations and has agreed to proceed with the present arrangement.

(f) *Failure to Pay Coupon Payments under Class C Notes*

Except in the following circumstances, failure to pay coupon on the Class C Notes would **not** constitute an Event of Default:

- (i) failure to pay coupon on the maturity date of the Notes;
- (ii) failure to pay coupon after the Class A Notes and the Class B Notes have been redeemed in full.

This means that as long as the Class A Notes and Class B Notes in a particular Notes Series have not been fully redeemed, failure to pay coupon for the Class C Notes of that Notes Series on any Coupon Payment Date prior to the maturity of the Notes would not constitute an Event of Default nor attract any default interest.

(g) *Liquidity Facility*

For liquidity requirements and to mitigate any timing delays between collections and payments under the MTN Programme, it is intended for a liquidity facility to be made available to the Issuer by the Liquidity Facility Provider. In particular, the Liquidity Facility is only available to make payments for senior expenses and Coupon on the Class A Notes. Similar to the Notes, Hire Purchase Receivables, the IRS arrangement and the Collection Account, the liquidity facility procured will be specific to the Notes Series. As such, it will match the tenor of the Notes comprised in the corresponding Notes Series. However the terms and conditions of the liquidity facility will be negotiated with the Liquidity Facility Provider. There can be no assurance that the Liquidity Facility Provider would not revoke or cancel the Liquidity Facility which could have an adverse affect on the ability of the Issuer to meet timely payments on the senior expenses and Coupon on the Class A Notes.

5.5 Hire-Purchase (Amendment) Act 2010 (“HP Amendment Act”)

The HP Amendment Act which was gazetted on 30 September 2010 amends the HP Act by introducing a subsection to require hire-purchase agreements to be either in the national language or English language.

The HP Amendment Act now prohibits the owner to deliver or cause to be delivered to any dealer, agent or person acting on behalf of the owner a hire-purchase agreement or any other form or document relating to a hire-purchase agreement which has not been completed.

Under the HP Amendment Act, a hirer may make request in writing to an owner to keep the registration certificate of the motor vehicle and the owner shall, upon request of the hirer, furnish the registration certificate of the motor vehicle to the hirer.

A hire-purchase agreement entered into where the goods comprised in the hire-purchase agreement is a motor vehicle which has been altered or modified in its construction and structure is void under the HP Amendment Act.

Pursuant to the HP Amendment Act, a person who intends to enter into the hire-purchase agreement in respect of a second-hand motor vehicle shall declare in writing any defects (includes defect to the mechanical or operational system, construction, structure and build-up and fitting of the motor vehicle) of the second-hand motor vehicle in accordance with the inspection report by the relevant authority determined by the Controller.

The HP Amendment Act extends the period whereby the owner is required to serve or cause to be served on the hirer and the guarantors a copy of the hire-purchase agreement from fourteen (14) days to twenty-one (21) days after the making of a hire-purchase agreement. Furthermore, at any time before the final payment has been made under a hire-purchase agreement, the period whereby the owner is required to supply to the hirer a copy of any memorandum or notes of the hire-purchase agreement is also extended from fourteen (14) days to twenty-one (21) days after the owner has received a written request from the hirer,.

The HP Amendment Act has provisions which limit the right of an owner or his agent to repossess goods under hire-purchase. If the payment of instalments made under a hire-purchase agreement amounts to more than seventy-five percent (75%) of the total cash price of the goods and there has been two (2) successive defaults of payment by the hirer and the owner has served on the hirer a notice in writing, an order of the court will be required for the owner to take possession of the goods. The owner may only exercise its power of taking possession of the motor vehicle when he has obtained an order of the court and has served on the hirer a notice in writing and the period fixed by the notice which shall not be less than twenty one (21) days after the service of the notice.

Furthermore, a person undertaking repossession of goods comprised in a hire-purchase agreement must hold a permit issued by the Controller who is appointed by the Minister of Domestic Trade and Consumer Affairs.

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6 THE ISSUER – PREMIUM COMMERCE BERHAD

6.1 Background Information

- (i) Name : Premium Commerce Berhad
- (ii) Address : Suite 7.02, 7th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur
- (iii) Company Registration No. : 648636-X
- (iv) Date/Place of Incorporation : 12 April 2004/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 : Implementing and carrying out the proposed asset-backed securitisation as detailed in the term sheet (as stated in Section 2 of the IM Series 2009-A), namely, the acquisition of hire purchase receivables meeting the Eligibility Criteria (as defined in Section 2 of this Supplementary Information Memorandum) from the Originator which are generated in the Originator's ordinary course of business.
- (viii) Board of Directors (as at 30 September 2010) :
 - 1. Lui Kwee Hui
 - 2. Lee Yun Choong
- (ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : Malaysian Trustees Berhad (Company No. 21666-V)
- (x) Authorised capital (as at 30 September 2010) : RM100,000 comprising 100,000 ordinary shares of RM1 each.
- (xi) Paid up capital (as at 30 September 2010) : RM2 comprising 2 ordinary shares of RM1 each.

7 THE ORIGINATOR FOR NOTES SERIES 2010-B –TC CAPITAL RESOURCES SDN. BHD.

7.1 Background Information

- (i) Name : TC Capital Resources Sdn Bhd
- (ii) Address : 62-68 Jalan Ipoh, 51200 Kuala Lumpur
- (iii) Company : 676721-D
Registration No.
- (iv) Date/Place of : 30 December 2004/Malaysia
Incorporation
- (v) Date of Listing (in : Not applicable
case of a public-
listed company)
- (vi) Status : Resident controlled company/non-Bumiputera controlled
company
- (vii) Principal : Principally engaged in the business of hire-purchase financing,
Activities leasing and money lending.
- (viii) Board of Directors : - Dato' Khor Swee Wah @ Koh Bee Leng
(as at 30 - Dato' Ng Mann Cheong
September 2010) - Seow Thiam Fatt
- Dato' Tan Eng Hwa
- Wan Chun Shong
- Ting Lieng Yu
- Tan Lip Soon
- (ix) Structure of : TCCR is a wholly-owned subsidiary of TCMH. The substantial
shareholdings and names of shareholders or, in
names of all substantial
shareholders

Substantial Shareholders of TCMH as at 30 September 2010	No. of ordinary shares of RM0.50 each in TCMH			
	Direct	%	Indirect	%
Tan Chong Consolidated Sdn Bhd	234,554,240	35.93	73,594,291	11.27
Nissan Motor Co., Ltd	37,333,324	5.72	-	-
Employees Provident Fund Board	34,536,400	5.29	-	-
Dato' Tan Heng Chew	22,076,262	3.38	318,448,031*	48.78
Tan Eng Soon	-	-	321,404,031 [#]	49.23
Tan Kheng Leong	200,000	0.03	308,148,531 [@]	47.20

Notes:

* *Deemed interest by virtue of interest in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd ("Wealthmark") pursuant to Section 6A of the Act. 73,594,291 shares are as to voting rights.*

[#] *Deemed interest by virtue of interest in TCC, Wealthmark and Lung Ma Investments Pte Ltd pursuant to Section 6A of the Act. 73,594,291 shares are as to voting rights only.*

[@] *Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.*

- (x) Authorised capital (as at 30 September 2010) : RM100,000,000 comprising 100,000,000 shares of RM1 each.
- (xi) Paid up capital (as at 30 September 2010) : RM61,000,000 comprising 61,000,000 ordinary shares of RM1 each.

8 RELEVANT DOCUMENTS

8.1 Introduction

With respect to Notes Series 2010-B under the MTN Programme, the Transaction Documents are as follows:

- (a) Purchase Agreement Series Supplemental;
- (b) Deed of Assignment;
- (c) Debenture;
- (d) Liquidity Facility Agreement.

All the Transaction Documents are governed by the laws of Malaysia. The execution of the Transaction Documents is one of the conditions precedent to the issue of the Notes Series 2010-B. A description of each of the Transaction Documents is set out below (in no particular order). This summary does not purport to be complete, and is subject to the detailed terms of the Transaction Documents.

8.2 Purchase Agreement Series Supplemental

The Purchase Agreement Series Supplemental will be entered into between the Originator as seller, the Issuer as purchaser and the Notes Trustee, as a supplemental to the Sale and Purchase Agreement, pursuant to which the Originator and the Issuer will effect the sale and purchase of Hire Purchase Receivables in relation to Hire Purchase Receivables Series 2010-B as and from the Series Sale Date.

The Purchase Agreement Series Supplemental will also describe certain specific terms of the Hire Purchase Receivables Series 2010-B, including:

- the Series Cut-Off Date;
- the Series Sale Date;
- the Issue Date;
- the Initial Investment Amount;
- the Series Purchase Price;
- the Series Discount Rate;
- the List of Receivables (as of the Series Cut-Off Date) in the format prescribed therein;
- other terms such as additional Eligibility Criteria and representations and warranties of the Originator as may be agreed by the Issuer and the Notes Trustee.

In respect of Series 2010-B, the Series Target Level will be a minimum of RM1,000,000.00 or 1% of the nominal value of the Class A Notes to be issued under Series 2010-B. Payment of the Series Purchase Price to the Originator shall be conditional upon receipt by Issuer, the Notes Trustee and the Servicer of the following documents on the Issue Date:

- (a) the Final List of Receivables (as defined in the Master Definitions Schedule);
- (b) the written assignment duly executed by the Originator in the form attached to the Purchase Agreement Series Supplemental; and
- (c) a certificate of compliance by the Originator in the form prescribed in the Purchase Agreement Series Supplemental.

8.3 Debenture

The Debenture is to be executed by the Issuer in favour of the Notes Security Trustee for the benefit of the holders of the Class A Notes for Notes Series 2010-B. By the Debenture, the Issuer as beneficial owner will charge in favour of the Notes Security Trustee as security trustee for the holders of the Class A Notes of the Notes Series 2010-B by way of a first fixed charge all the Issuer's rights, title and interest in respect of the Hire Purchase Receivables comprised in the Hire Purchase Receivables Series 2010-B, the purchase of which is to be funded by the Notes Series 2010-B. The Debenture will constitute security for the payment of all amounts due and owing to the holders of the Class A Notes in respect of the Notes Series 2010-B issued to fund the purchase of that Hire Purchase Receivables Series 2010-B. The Debenture provides for enforcement, including the appointment of a receiver by the Notes Security Trustee upon the issuance of an Acceleration Notice with respect to the Notes Series 2010-B under the Trust Deed.

8.4 Deed of Assignment

The Issuer will execute a Deed of Assignment in favour of the Notes Security Trustee to hold for the benefit of the holders of the Class A Notes comprised in Notes Series 2010-B. Under the Deed of Assignment, the Issuer will assign to the Notes Security Trustee by way of charge all the Issuer's rights, title and interest in and to the Hire Purchase Receivables comprising the Hire Purchase Receivables Series 2010-B together with all security attaching thereto and all payment and enforcement rights with respect to the Hire Purchase Receivables Series 2010-B and all collections and proceeds of the aforesaid; and all its present and future rights in and to the Purchase Agreement Series Supplemental and the Liquidity Facility Agreement. The Issuer will restate and confirm that the Master Assignment will apply to Notes Series 2010-B and that it will continue to be bound by the terms thereby.

8.5 Liquidity Facility Agreement

In respect of Notes Series 2010-B, to meet the temporary liquidity needs of the Issuer, in particular, for payment of taxes, interest, administrative and operating expenses on the Notes and Coupon on Class A Notes issued under Notes Series 2010-B, a revolving overdraft facility of RM1 million ("CIMB Facility") will be obtained from CIMB Bank Berhad ("CIMB Bank") by the Issuer upon the terms set out in a letter of offer issued or to be issued by CIMB Bank ("Letter of Offer").

The CIMB Facility shall have a tenure of 7 years from the date of issuance of Notes Series 2010-B or upon full redemption of Class A Notes Series 2010-B, whichever is earlier, and shall be repayable upon the expiry of the tenure of the CIMB Facility or upon demand by CIMB Bank, whichever is earlier. The interest rate, commitment fee and all charges (if any) for the CIMB Facility are customary to such facilities.

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APPENDIX I

Pre-Sale Report by RAM Rating Services Berhad for Notes Series 2010-B

RAM

PRESALE REPORT

NOVEMBER 2010

PREMIUM COMMERCE BERHAD

- Proposed RM209.25 million Notes Series 2010-B (2010/2017)

RAM Rating Services Berhad
(763588-T)

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The Gardens South Tower
Mid Valley City
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RAM

RATINGS



RATINGS

CREDIT RATING RATIONALE

STRUCTURED FINANCE RATINGS

NOVEMBER 2010

PRESALE REPORT

Analysts:

Tan Han Nee
(603) 7628 1023
hannee@ram.com.my

Ang Swee Ee
(603) 7628 1113
sweeee@ram.com.my

Principal Activities:

Issuance of Notes backed by the hire-purchase receivables of TCSM/TC Cap

Expected Issue Date:

[•] December 2010

Securities:

- 1) Assignment of PCB's rights, titles, benefits and interests as well as all payments and amounts due from time to time under the 2010-B Hire-Purchase Receivables Series.
- 2) Debenture creating first fixed charges over the Hire-Purchase Receivables Series.

PREMIUM COMMERCE BERHAD (NOTES SERIES 2010-B) – Initial Rating

■ Notes Series 2010-B

Instrument	Issue amount (RM million)	Coupon rate [^] (%)	Tenure #	Preliminary Rating/ Outlook	Maturity Date
Class A Notes	[188.00]				
Tranche 1	[32.00]	[•]	[1]	AAA/Stable	[•]
Tranche 2	[105.00]	[•]	[3]		[•]
Tranche 3	[46.00]	[•]	[5]		[•]
Tranche 4	[5.00]	[•]	[7]		[•]
Class B Notes	[5.00]	[•]	[7]	AA ₂ /Stable	[•]
Total Rated Amount	[193.00]				
Class C Notes	[16.25]	[•]	[7]	Not rated	[•]
Total	[209.25]			-	

The ratings shown are based primarily on information and certain terms and conditions provided by the originator, TC Capital Resources Sdn Bhd, and the lead arranger, CIMB Investment Bank Berhad, up to 26 October 2010. This information includes the transaction structure, payment priority, and representation on structural issues. Any material changes in these assumptions may result in a change in the preliminary ratings. Furthermore, the figures in brackets may be changed before the assignment of the final rating.

[^] Coupons are paid quarterly from the issuance date. Coupons on the Class C Notes are accruable. Non-payment of the Class C Notes coupon on the coupon-payment date is not considered an event of default, except on the final maturity date of the Class C Notes.

From issuance date

Transaction Parties for Notes Series 2010-B

Originator/Service	TC Capital Resources Sdn Bhd
Lead Arranger	CIMB Investment Bank Berhad ("CIMB")
Share Trustee	Malaysian Trustees Berhad
Notes Trustee	Mayban Trustees Berhad
Reporting Accountant	KPMG
Transaction Solicitors	Zul Rafique & partners
Issuing and Facility Agent	CIMB
Provider of Liquidity Facility	CIMB Bank Berhad

The rating shown is preliminary, based primarily on information provided by the issuer and its agent, or the rated institution. RAM Ratings does not verify the accuracy or completeness of such material and is not responsible for any errors or omissions, or the results obtained from the use of the same. The preliminary rating is contingent upon final documents conforming to information already received, and the resolution of outstanding matters deemed pertinent by RAM Ratings. Subsequent information may result in the assignment of the final rating that differs from the preliminary rating. RAM Ratings' rating is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by RAM Ratings.

Provisional Portfolio Summary as at [30 September 2010]	
Portfolio's principal balance and unearned interest (RM)	231,878,847
Portfolio's principal balance (RM)	207,381,709
Average original principal amount (RM)	67,887
Number of hire-purchase ("HP") contracts	3,401
WA size of HP monthly instalments (RM)	1,517
Average outstanding principal amount (RM)	60,976
WA original tenure of HP loans (months)	61.18
WA remaining term of HP contracts (months)	55.06
WA portfolio seasoning (months)	6.13

WA = weighted average, computed on portfolio's outstanding principal balance

■ Summary

RAM Ratings has assigned respective preliminary ratings of AAA and AA₂ to Premium Commerce Berhad's ("PCB" or "the Issuer") Class A and Class B Notes Series 2010-B ("the 2010-B Notes"); the long-term ratings have a stable outlook. The 2010-B Notes represent the fourth issuance under PCB's RM600 million Hire-Purchase ("HP") Receivables-Backed Medium-Term Notes ("MTN") Programme ("the Programme").

PCB is a special-purpose, bankruptcy-remote entity that had been specifically incorporated to undertake the securitisation of the HP receivables of Tan Chong & Sons Motor Company Sdn Bhd ("TCSM") and TC Capital Resources Sdn Bhd ("TC Cap" or "the Servicer"), via the issuance of a series of MTN under the Programme. To date, RM547 million has been issued under the Programme via the RM164 million Notes Series 2005-A ("2005-A Notes"), RM159 million Note Series 2009-A ("2009-A Notes") and RM224 million Notes Series 2010-A ("2010-A Notes"). Collectively, the 3 Notes Series are referred to as "the Bonds". As of 30 September 2010, a total of RM323 million remained outstanding under the Bonds. The ratings of the 2005-A and 2009-A Notes were reaffirmed with a stable outlook in September 2010. On the other hand, the reaffirmed rating of the Class B 2009-A Notes has a positive outlook.

Each series of MTN issued ("Notes Series") will be backed by a specific pool of HP receivables ("HP Receivables Series"). PCB will utilise the cash collected from the relevant HP Receivable Series to meet the coupon and principal payments on the respective Notes Series. Every HP Receivables Series backing a new issuance under this Programme will be subject to the same set of general eligibility criteria ("EC"), and may be further supplemented with a specific additional EC ("AEC") for each HP Receivables Series. The AEC for the 2010-B Notes is broadly the same as for the 2010-A Notes; RAM Rating believes that this will have no material impact on the performance of the underlying HP loan portfolio or the transaction.

➤ **Strengths**

- ***Available credit support from OC***

Based on the RM207.38 million of principal balance on the HP loans, the transaction has an overcollateralisation (“OC”) ratio of 10.31% for the Class A 2010-B Notes and 7.45% for the Class B Notes. This OC level provides sufficient protection against the risk of prepayment and defaults under the respective “AAA” and “AA₂” stressed rating scenarios for the Class A and Class B Notes.

- ***EC and AEC filter out lower-quality and fraudulent HP loans***

The underlying securitised HP loans must satisfy the pre-defined EC and AEC under the Programme, e.g. the eligible HP receivables must have at least 3 monthly instalments already paid, with none of these being more than 1 month in arrears. Both therefore acts as a filter to allow HP loans of better quality/lower risk to be securitised under each Notes Series.

- ***Features of transaction structure***

Under the pass-through mechanism, any unscheduled collection will be channelled towards the early redemption of the Notes on each quarterly coupon-payment date, in the pre-determined order of priority. This addresses the negative effect of the Notes Series’ “carrying costs” versus low reinvestment returns. The available Liquidity Facility Reserve (“LFR”) has also been designed to provide a liquidity buffer against any potential liquidity shortfall under the transaction. The size of the available LFR will be subject to the lower of RM1 million or 1% of the nominal value of the Class A Notes.

➤ **Concerns**

- ***Latest historical data show higher-than-assumed default levels***

TC Cap’s latest historical default data, represented by 53 static pools originated between March 2006 and July 2010, show default levels that are much higher than initially assumed. The most recent static pools, i.e. 2008 and 2009, showed that cumulative net default rate peaked at 1.42% in the 20th month from origination, against our base-case assumption of 0.78% in the 25th month. We believe that TC Cap may have lacked the necessary infrastructure, experience and resources to support the rapid and significant increase in its loans, which had in turn affected the quality of the HP receivables as well as its collection and monitoring efficacy. The Servicer’s performance may have been further challenged by the financial crisis that had begun taking hold in late 2008 and early 2009. Taking all these into consideration, we have therefore revised the base-case peak cumulative net default rate to 1.25% in the 20th month (from 0.78% in the 25th month previously) from origination. We have assumed a monthly net default rate of

0.02% per month after month 20.

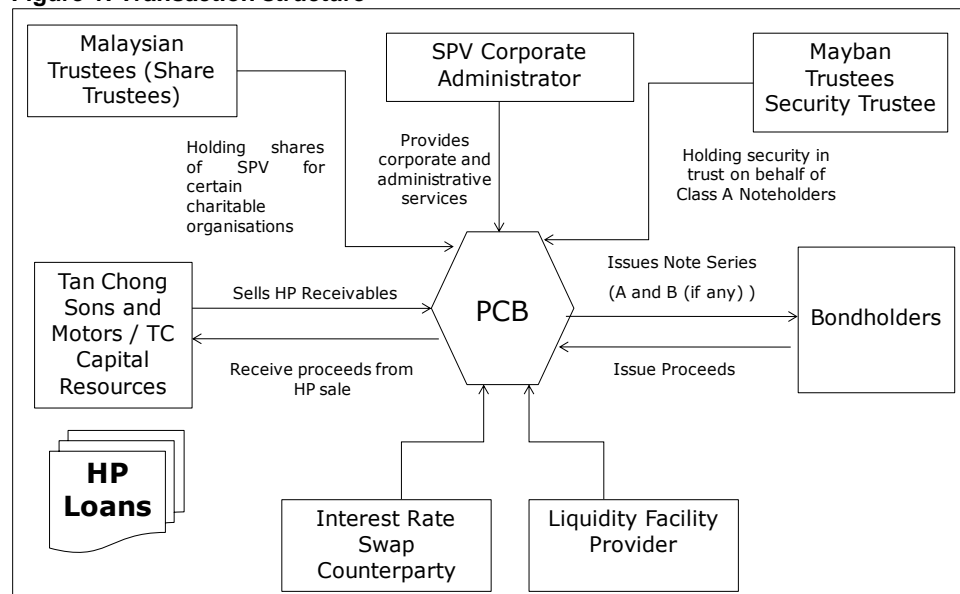
- **TC Cap's untested servicing ability in managing larger loan portfolio**

Given Tan Chong Motor Holdings Berhad's ("Tan Chong") plan to expand its loan portfolio to RM 1 billion by 2012, we remain concerned about its servicing ability vis-a-vis managing a much larger loan portfolio. Nonetheless, we note that TC Cap has made some effort to improve the credit quality of its loans, such as system upgrade, allocation of more human capital and the tightening of its internal assessment guidelines, particularly for models that have targeted the mass market since early 2009, which resulted in lower default levels for 2009 static pool. In addition, TC Cap is capping its monthly loan origination to RM30 million effective October 2010.

We highlight that the assigned ratings address the likelihood of timely payment of coupons and ultimate payment of principal on the 2010-B Notes by their respective maturity dates, but do not indicate the likelihood of prepayment.

■ Transaction Overview

Figure 1: Transaction structure



PCB is a special-purpose, bankruptcy-remote entity that had been specifically incorporated to undertake the securitisation of Tan Chong's HP receivables under this RM600 million MTN Programme that is backed by HP receivables. Under the Programme's Availability Period, which was extended for 10 years in 2009 (to expire in 2019), TC Cap and/or any of Tan Chong's subsidiaries will sell eligible HP receivables to the Issuer from time to time, as long as no Termination

Event has been declared and is continuing, or if any Early Amortisation Event (“EAE”) has occurred - as stipulated in the transaction documents. While TCSM continues to manage the existing 2005-A Notes’ HP portfolio, all new HP loans since March 2006 have been originated by TC Cap. In this respect, the 2010-B Notes are backed by a portfolio of HP loans originated only by TC Cap.

To date, there have been 3 drawdowns on the RM600 million Programme, as shown in Table 1 below.

Table 1: Issued and outstanding amounts of the Bonds as at 30 September 2010¹

Notes Series	Issue Date	Issued Amount (RM)	Outstanding amount (RM)
Notes 2005-A	20 May 2005	164 million	4 million
Notes 2009-A	19 June 2009	159 million	102 million
Notes 2010-A	3 May 2010	224 million	217 million

The sale of the HP receivables to PCB will be on an “equitable assignment” basis. Subsequent to the sale of the HP pool to PCB, any payment made by the HP borrowers, any amount due in respect of the enforced HP agreements, proceeds from insurance claims and payments made by guarantors (if any) will constitute the assets of the Issuer. To ensure clear segregation of cashflow between the different Notes Series under the pre-determined transaction payment waterfall, collections from the respective HP Receivables Series will only be used for the payment of the senior costs, coupons and principal in relation to the corresponding Notes Series issued. Separate designated accounts have also been opened for each specific Notes Series.

The Servicer in this transaction is responsible for the day-to-day servicing of the collections and the monitoring of the portfolio of HP receivables. As the Servicer, TC Cap will be paid a servicer fee amounting to 1% of the collections stemming from the HP loans, on a quarterly basis.

This transaction features a pass-through structure, where excess funds after meeting senior expenses and coupon obligations on the Class A and Class B Notes will be used to redeem the Class A Notes (as well as the Class B Notes once the Class A Notes have been fully redeemed), as stipulated in the transaction documents. To cover any liquidity shortfall, an overdraft facility in the form of an LFR, provided by a licensed financial institution, can be drawn down - if needed - for payment of the Issuer’s senior expenses and coupons on the Class A Notes, as long as no Event of Default (“EOD”) has occurred. A default on any Notes Series will not constitute an EOD for the others, unless they also constitute events falling within any of the EODs of the other notes – as per the EODs listed on page 8.

¹ For more details, please refer to the rationales for the 2005-A Notes, 2009-A Notes and 2010-A Notes, published on 20 May 2005, 1 July 2009 and 11 May 2010, respectively.

PCB is permitted to enter into interest-rate-swap arrangements during the tenure of the Programme, to mitigate interest-rate risk. This arrangement had first been put in place to provide some flexibility to TCSM/TC Cap vis-a-vis hedging interest-rate risk, in the event floating-rate HP loans were sold to PCB. However, PCB has not entered into any IRS arrangement to date as the HP receivables sold thus far under the Programme have been on fixed-rate terms.

➤ **Early Amortisation Events (or EAEs)**

To protect investors against severe deterioration in the quality of the HP Receivables, the transaction will include several early-amortisation triggers. Subsequent to an EAE being declared by the Notes Trustee, all collections after payment of senior expenses and coupons on the Notes Series will be used to accelerate the repayment of the Class A Notes (and subsequently the Class B Notes, once the Class A Notes have been redeemed). Under these circumstances, no payment will be made to the Servicer (if the Originator or any company within the Group is the servicer) and the coupon under the Class C Notes until the principal amounts of the Class A and Class B Notes have been fully redeemed (please refer to section on *Payment waterfall after EAE*).

Key EAEs include the following:

- i) Failure of PCB to repay all amounts owed and due in respect of the liquidity facility on any payment date.
- ii) A Net Monthly Default Rate² of more than 4% for 3 consecutive months.
- iii) Failure by the Servicer to fulfil any of its obligations in any material aspect under any transaction document to which it is a party, where such failure remains unremedied for 20 business days.
- iv) A material adverse change in the financial condition or operations of the Originator or the Servicer, which would affect their ability to collect payments arising from the relevant HP Receivables or their performance obligations under the transaction documents.

➤ **Termination Events**

To help preserve the quality of the receivables purchased by PCB for any future issuance of Notes Series, the occurrence of any of the following events could result in the termination of the Purchase Agreement. However, if an EAE or any of the Termination Events has been declared and not remedied, no further purchase of HP receivables by PCB is allowed.

² Net Monthly Default Rate is defined as the change during any given month in the outstanding principal balance of the Receivables Series that are 3 or more months past due, net of recoveries at the beginning of that month, divided by the outstanding principal balance of the Receivables Series at the beginning of that month.

- i) Insolvency of the Originator.
- ii) The tangible net worth of the Originator, based on its latest consolidated financial accounts as determined by the Notes Trustee, falls below RM150 million and RM10 million for TCSM and TC Cap, respectively.
- iii) Failure of the Servicer to honour its obligations under the transaction documents, and which remains unremedied for 20 business days after the earliest discovery.
- iv) Breach of the representations and warranties by the Originator in the transaction documents.
- v) Servicer default, as set out in the Servicing Agreement.
- vi) Occurrence of any EOD or EAE under the Notes.
- vii) Such other termination events as provided in the transaction documents.

➤ **Events of Default**

Key EODs under the Notes include the following:

- i) Failure to honour coupon payments on the Class A and Class B Notes on the relevant payment dates. Failure to settle coupon payments on the Class C Notes does not constitute an EOD, except when after all the Class A and B Notes have been repaid, or on the final maturity date of the Class C Notes.
- ii) Failure to pay the principal due on the Notes Series on the relevant maturity dates.
- iii) The Issuer breaches its obligations under the Notes or any of the transaction documents.
- iv) When it becomes unlawful for the Issuer or the Originator to perform its obligations under the Notes Series or any of the transaction documents.
- v) The Issuer ceases to be the beneficial owner of the HP Receivables.
- vi) Insolvency of the Issuer.

■ **Accounts and Payment Structure**

For each Notes Series, PCB will open a Collection Account - to be assigned to and solely operated by the Trustee, for the benefit of the bondholders. For the 2010-B Notes, the management of the Collection Account will be similar to that of the Bonds, as specified under the transaction documents. For more details, please refer to RAM Ratings' rationale on PCB's 2009-A Note Series, published in July 2009.

➤ **Liquidity Facility Reserve (or LFR)**

PCB will secure a revolving overdraft facility for each Notes Series. The LFR is to cover any cashflow shortfall in the payment of senior expenses, servicer costs (if

the Originator or any company within the Group is not the servicer) and coupons under the Class A Notes of that particular Notes Series. For the 2010-B Notes, PCB will secure an overdraft facility of RM1 million or 1% of the outstanding nominal value of the Class A 2010-B Notes, whichever is lower. For the 2010-B Notes, the liquidity provider will be CIMB Bank Berhad.

■ Originators/Servicers and Operations Update

➤ HP Origination and Underwriting

TCSM holds the sole rights for the assembly and distribution of Nissan and Ultimate Dependability (“UD”) vehicles in Malaysia. Sales and marketing of Nissan vehicles are undertaken by authorised main dealer Edaran Tan Chong Motor Sdn Bhd (“ETCM”), a sister company of TCSM. Applications for HP financing are mainly done through ETCM's branches and car dealers.

TCSM has been the exclusive assembler and distributor of Nissan vehicles since 1957. It currently has 89 sales branches and 120 authorised dealers throughout Malaysia for the Nissan, UD and Renault marques. While UD has always been a fairly small player in the “light trucks” segment, i.e. with less than a 10%-share of the market, Tan Chong is among the leaders in heavy trucks, prime movers and buses. TC Cap also offers HP financing for other non-Nissan vehicles; more than 90% of its portfolio of HP loans consists of Nissan car buyers. The remaining 10% of the entire receivables pool consists of loans for commercial vehicles, with the residual comprising financing for passenger vehicles. The recently tabled Budget 2011 had also announced lower tax for hybrid vehicles, which may lead to Nissan's competitors gaining some traction as it has yet to introduce hybrids to its line-up.

The total industry volume (“TIV”) went up 14.0% to 453,249 vehicles in first 9 months of 2010 (“9M 2010”). Concurrently, Tan Chong also delivered a better showing, with a 12.0% year-on-year (“y-o-y”) rise in the sales of Nissan vehicles to 26,316 for the same period (9M 2009: 23,507 vehicles). The stronger performance is mainly attributable to continued demand for the *Grand Livina* and *Sylphy*, which accounted for a respective 40.0% and 14.3% of Tan Chong's car sales in 1H 2010. As a result, Nissan's market share remained stable at 5.8% in 9M 2010 (9M 2009: 5.9%). Going forward, the Malaysian Automotive Association has projected vehicle sales to reach 570,000 units this year (2009: 536,905). Meanwhile, the Group expects to achieve its targeted sales of 30,000 vehicles (2009: 31,493) this year; the Government's gradual reduction of fuel subsidies³ is envisaged to have minimal impact on its performance.

³ Following the adjustment in fuel subsidies on 16 July 2010, RON97 petrol was no longer subsidised while the prices of RON95 petrol and diesel had been raised to RM1.85 and RM1.75 per litre, respectively. On 2 November 2010, the price of RON97 petrol was raised another 5 cents to RM2.15

As a result of its sturdy sales growth, Tan Chong's HP receivables swelled 131% to RM648 million (including securitised receivables) as at end-June 2010, from RM280 million a year earlier - in line with its plans to expand its HP loan pool to RM1 billion by 2012; this will be mainly driven by the Group's medium-term plan to roll out the new *Teana*⁴ in November 2010 and "B segment"⁵ vehicles in 2012. Additionally, we expect the Group's various marketing and promotional activities, such as offering subsidised HP rates that are lower than those offered by banks for selected models, to help boost the size of its HP receivables base.

In a bid to reduce the turnaround time for its loan applications (with less than 60% margin of financing) to 1 day, Tan Chong's information-technology ("IT") system has been upgraded to incorporate a loan-tracking system that enables online submission of loan applications from its various branches. This online loan-application system had been implemented in 18 of ETCM's branches as of July 2010; it is targeted to encompass all branches by the end of 2011. The upgrade will also enable easier monitoring of collections between headquarters and its branches, and immediate access to data such as collections, outstanding loan balances and early-settlement amounts. The Group is collaborating with Malayan Banking Berhad ("Maybank") to roll out new payment channels via Maybank's network of automated teller machines, cash-deposit machines and online banking system.

Tan Chong's growth strategy between 2008 and 2012, i.e. to introduce 2-3 new models annually, and the improving economic climate have been a boon to its aim of expanding its HP-financing business. On this note, the number of HP applications increased to an average of 500-600 per month in 1H 2010, from 100 a month in 2009. We understand that the average approval rate came up to around 75% of total applications in 1H 2010. Meanwhile, Tan Chong is still cross-checking some of its own credit/data benchmarks against those of the Central Credit Reference Information System (or CCRIS); implementation has therefore been delayed from the initially targeted 2009 to the end of this year.

We observe that the 2006-2009 static pools exhibit elevated defaults and longer delinquencies compared to the loan pools originated earlier. RAM Ratings believes that this is, to an extent, the result of the challenges that TC Cap may face in managing and servicing the expanding portfolio - a likely cause for the higher default rates exhibited by the newer loan pools. Furthermore, the financial crisis that had begun taking hold in late 2008 and early 2009 could also have affected the repayment capability of the hirers. For further details on the historical performance of TC Cap's HP loans, please refer to the section on *Credit*

per litre.

⁴ Expected to be priced below RM180,000 for the 2.5-litre and below RM150,000 for the 2.0-litre models; the closest competitors are the Toyota *Camry* and the Honda *Accord*.

⁵ A "B segment" car, otherwise known as a "super mini", pertains to a vehicle that is larger than a city car but smaller than a family car, e.g. Toyota *Vios*, Honda *City* or Perodua *Myvi*.

Assessment.

As part of its measures to reduce delinquency and default rates, TC Cap has tightened its internal credit-evaluation criteria by having more in-depth credit analysis on a potential hirer prior to loan approval. As an example, the stability of cashflow stemming from the job of a loan applicant and the reputation of the his/her employer are now taken into consideration in credit evaluation. The minimum household income requirement of a civil servant borrower is also higher than for those working in the private sector. Furthermore, the maximum loan tenure and margin of financing have been reduced from 8 to 7 years and capped at 85%, respectively, for selected models. Moving forward, the Group intends to cap monthly loan origination to RM30 million (from an average of RM53 million between January and September 2010) to contain its default rates.

While we acknowledge TC Cap's efforts in improving the quality of its loans, its ability to service a much larger loan portfolio without having some impact on its collection and monitoring efficacy remains untested.

➤ **Servicer Operations – Collections and Recoveries**

In the case of the 2010-B Notes and pursuant to a Servicing Agreement, TC Cap acts as the Servicer and will be responsible for receiving, servicing and remitting collections in relation to the HP Receivables from the hirers, as part of its normal collection procedures. In doing so, the Servicer will receive a fee in the form of a commission. The Servicer will also submit a daily report to the Notes Trustee, listing the amount of collections received the previous day. Every month, the Servicer will deliver its report to PCB, the Notes Trustee and RAM Ratings, setting out the following:

- i) The aggregate amount of collections received the preceding month.
- ii) The principal balance of the HP receivables, including information on prepayments, delinquencies and defaults.
- iii) Certain performance statistics and tests on the HP Receivables.

A default on the Servicer's part includes its insolvency and failure to honour its obligations under the Servicing Agreement.

Delinquent accounts are managed by TC Cap's Bad-Debt Recovery Unit. TC Cap classifies a loan as non-performing (or for the purpose of this transaction, a "default") when the account has not been serviced for at least 3 months.

TC Cap's account processing and servicing are also centralised at its headquarters. Previously, branch collection data for loans had been batched overnight and updated into the IT system at headquarters the following morning.

However, the system has since been updated; collections made at the respective ETCM branches are now updated on the same day.

Our experience so far with TC Cap highlights the Servicer's transition from a small portfolio to a larger one. We notice more data inconsistencies and discrepancies in the Servicer reports, especially between 2009 and 2010. While we acknowledge TC Cap's efforts in improving the quality of its loan portfolio which include limiting its monthly loan origination to RM30 million from October 2010 onwards, we remain concerned on TC Cap's ability to manage its growing HP portfolio, more so in light of its plan to expand its portfolio to RM1 billion by 2012.

■ Credit Analysis of the 2010-B Notes' HP Portfolio

➤ Eligibility Criteria

Each HP receivable to be purchased by PCB will have to meet a set of pre-determined EC as of the relevant Series Sale Date. The key eligibility criteria include the following:

- Such HP receivable is absolutely owned by the Originator and free of all liens, charges and security interests.
- Such HP receivable is created with credit standards no less stringent than those generally applied by TCSM/TC Cap, the terms of which have not been modified, waived, or acquiesced in any breach of any of the Originator's rights in relation to that HP receivable.
- Where at least 3 monthly instalment payments have been paid under the relevant HP contract, with not more than 1 monthly payment in arrears at the point of sale to PCB.
- The maturity date of the HP receivables is not later than the maturity date of the Notes Series.

In addition to the general EC described above, a particular HP Receivables Series may have its own additional criterion, which will be specified in the relevant Supplemental Purchase Agreement. The 2010-B Notes' AECs include the following:

- A margin of financing that is no greater than 90% of the cash purchase price of the vehicle.
- The initial amount financed is less than RM350,000. This is to facilitate the inclusion of loans for higher-end Nissan models that include the Nissan *Murano* and *370Z*, priced at a respective RM330,000 and RM370,000.
- The remaining loan tenure is not longer than 84 months.
- Financing of private or commercial vehicles, with the latter class of vehicles

comprising no more than 12% of the total securitised pool.

The AECs of the 2010-B Notes are generally in line with those of the 2010-A Notes, except that the remaining loan tenure - instead of the original loan tenure - must not exceed 84 months. RAM Ratings expects that the AECs listed above will have no material impact on the credit quality of the proposed HP portfolio to be securitised under the 2010-B Notes.

As at 30 September 2010, the HP loan pool backing the 2010-B Notes consisted of 3,401 contracts, with an average original loan size of RM67,887 and an original tenure of up to 61 months. The HP loans had a weighted-average ("WA") remaining principal balance of RM60,976, a WA remaining term-to-maturity of 55 months and a WA average seasoning of 6.13 months. The WA margin of financing for the loan pool at origination stood at 63.7%.

■ Credit Assessment

In arriving at our initial cashflow assumptions for the 2010-B Notes, we have relied on the updated historical default and prepayment data from TC Cap's overall portfolio of 53 static pools from March 2006 to July 2010, with the longest pool seasoning of 52 months. We have also taken into consideration the performance of the underlying HP portfolios securitised under the Bonds, as a proxy for the expected performance of the HP pool securitised under the 2010-B Notes.

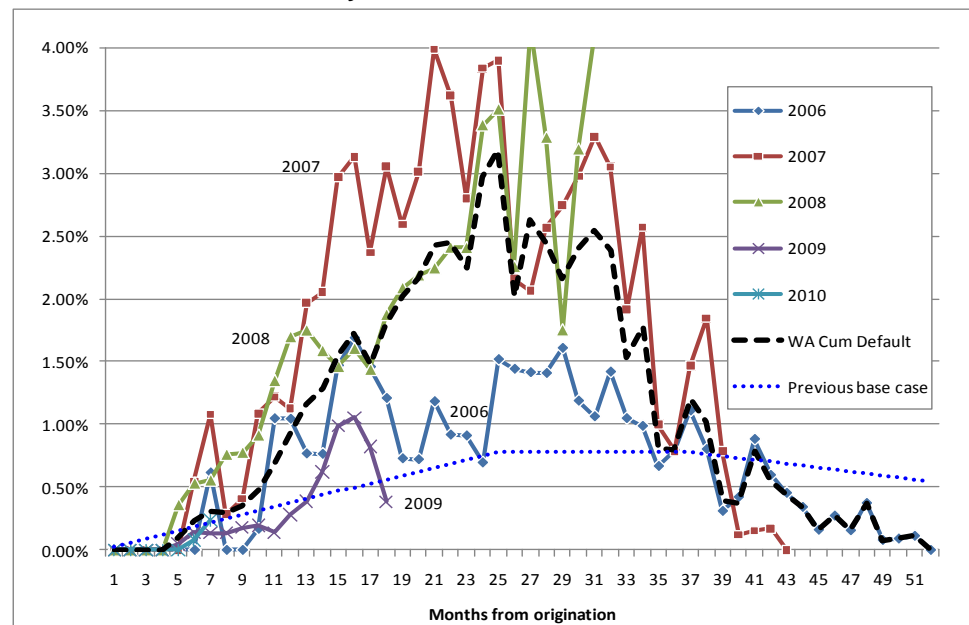
➤ Default Rates

For the purpose of our analysis, HP accounts that have been in arrears for 3 months or more are used as a proxy for defaulted accounts.

TC Cap's latest historical default data, represented by 53 static pools originated between March 2006 and July 2010, show default levels that are much higher than initially assumed. The 2006, 2007 and 2008 (first 8 months) static pools exhibit more volatile default patterns, primarily due to their small sizes. This renders the default rates very sensitive to any single default. Due to the 3-year ban on the release of new models by Nissan Japan and unfavourable HP rates between 2004 and 2006, Tan Chong had scaled down its HP financing portfolio substantially during this period. Upon the expiry of the 3-year freeze and due to more profitable HP rates, Tan Chong had rapidly grown its loan portfolio. We therefore believe that the 2006, 2007 and 2008 (first 8 months) static pools' cumulative net default ratios of above 1.5% are anomalies given the sharp decline in ratios immediately after peaking. In our analysis of the most recent pools, i.e. 2008 and 2009, we observe that cumulative net default rate peaked at 1.42% in the 20th month from origination, against our base-case assumption of

0.78% in the 25th month.

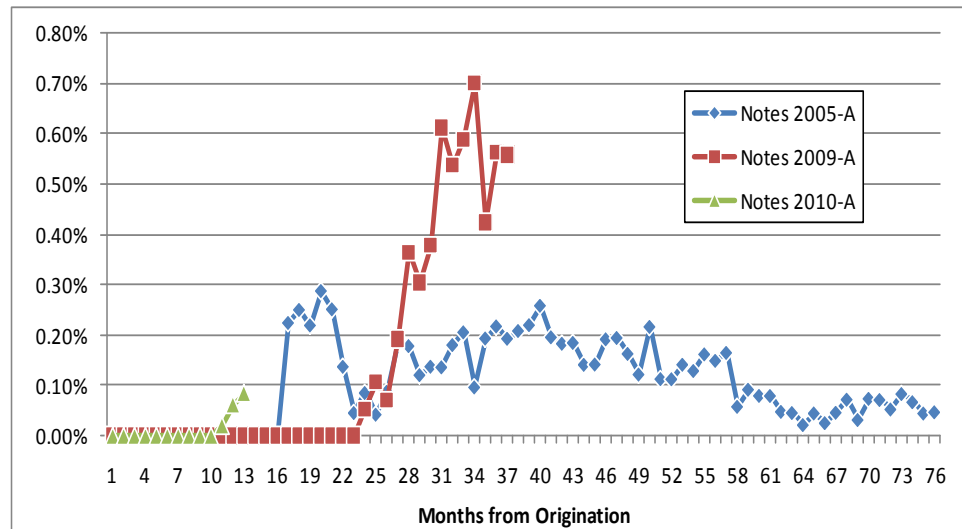
Figure 2: Historical net cumulative default performance of TC Cap's static pools between March 2006 and July 2010



Source: TC Cap

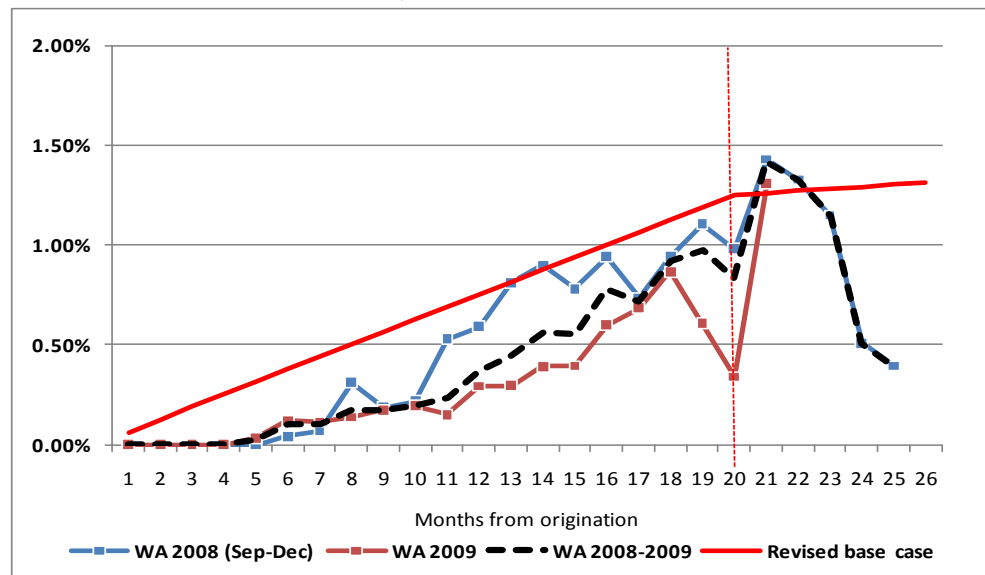
Overall, the static pools for the last 4 months of 2008 and the entire 2009 exhibit more stable historical loss patterns up to September 2010. While the cumulative net default rates for these periods came in below 1.50%, they had nonetheless indicate more elevated default levels than historically during the initial rating of the 2005-A Notes in 2005. Furthermore, we note higher actual default rates for the 2009-A Notes compared to the 2005-A Notes. We believe that, to some extent, this is due to TC Cap's lack of the necessary infrastructure, experience and resources to support the rapid and significant increase in its loans, which had in turn affected the asset quality of the HP receivables as well as its collection and monitoring efficacy. We also opine that the default levels may have been compounded by the stress on borrowers arising from the economic crisis between late 2008 and early 2009.

Figure 3: Actual net cumulative default performance of the Bonds as at 30 September 2010



That said, we acknowledge the improving trend in the default performance of the newer originated loans (effective September 2008) (Figure 4). In the 20th month from origination, loans originated in 2009 exhibit a WA cumulative net default rate of 1.31%, compared to 1.43% for the 2008 pool. The better showing is in line with Tan Chong's recent efforts in curbing delinquency rates. We believe that the default levels exhibited by the 2009 static pool are more reflective of the expected performance, going forward. In addition, we note that the static pools' WA cumulative default rate had peaked earlier in the 19th to 20th month, instead of the 25th month from the origination date.

Figure 4: Historical net cumulative default performance of TC Cap's static pools between September 2008 and July 2010

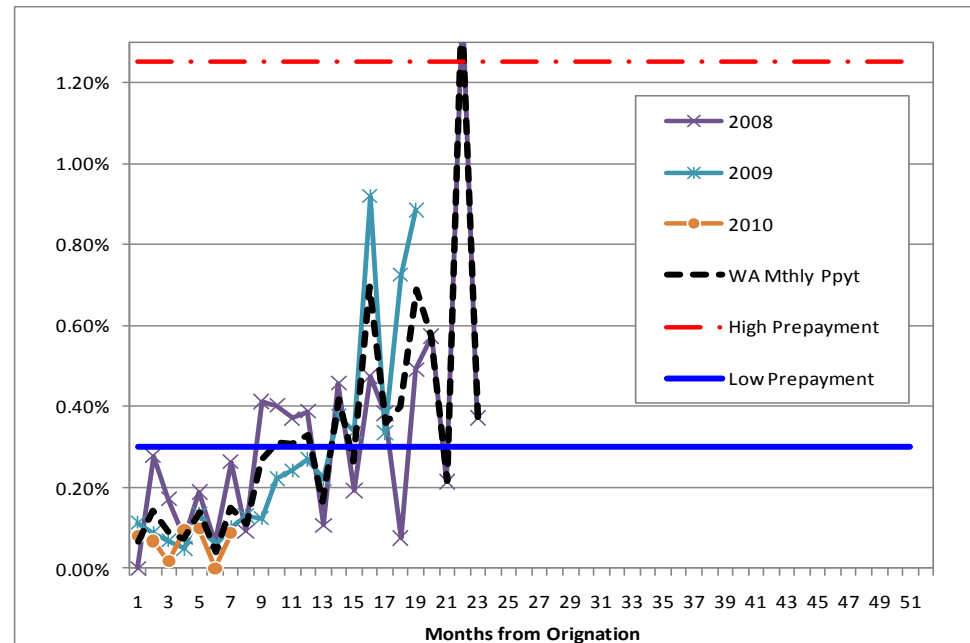


Given all the above, we have revised our base-case peak default rate assumption to 1.25% in the 20th month (from 0.78% in the 25th month previously) from origination. After month 20, a monthly net default rate of 0.02% will be applied for the remaining tenure. We maintain our recovery rate assumption of 50% and recovery period of 12 months.

➤ Prepayment Rates

Based on the updated historical static-pool data, we note that the average prepayment trends of the static pools are still below (the monthly prepayment level averaged at 0.33%) our high-prepayment assumption of 1.25% of the original principal balance on the purchase date.

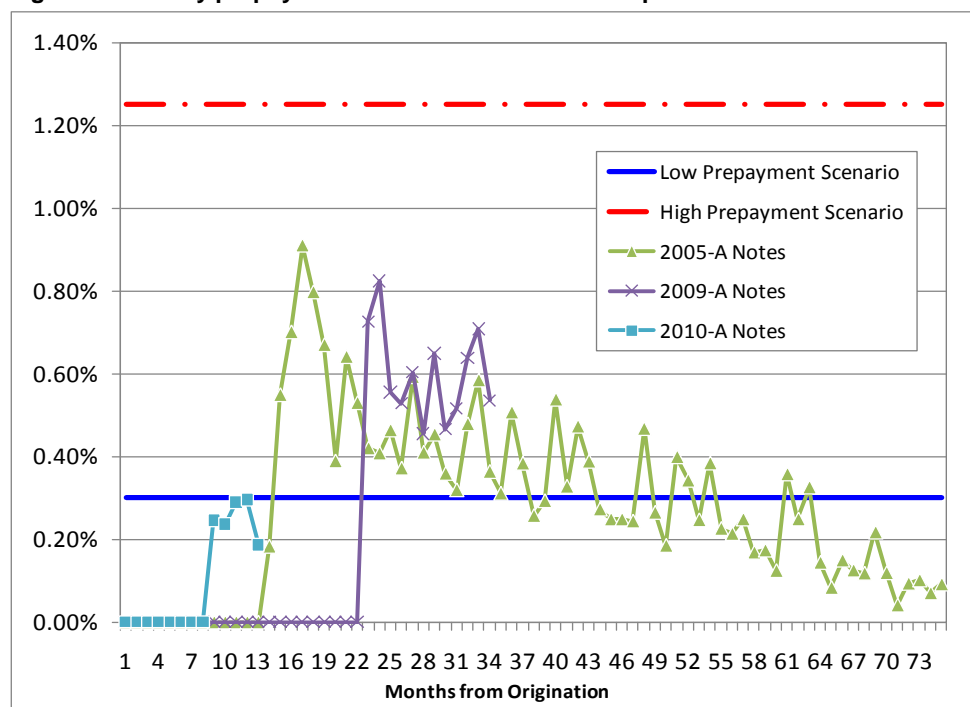
Figure 5: Prepayment behaviour of static pools between September 2008 and July 2010



Source: TC Cap

Meanwhile, the prepayment rates for the 2005-A, 2009-A and 2010-A Notes' HP pools have also fallen within our assumptions. In addition to the existing high-prepayment-rate assumption of 1.25% per month, RAM Ratings has subjected the cashflow to a low-prepayment-rate assumption of 0.3% per month.

Figure 6: Monthly prepayment behaviour of securitised portfolios



Source: TC Cap

Excessive prepayment will lead to a loss of projected interest income and will reduce cashflow from the HP portfolio. Nonetheless, prepayment risk is partly mitigated by the structural features of this transaction, as any unscheduled principal collection can be channelled towards early redemption of the Notes on each quarterly payment date, in the pre-determined order of priority.

■ Cashflow Analysis

RAM Ratings' cashflow analysis includes an assessment of the risk of cashflow loss, including the risk of default and prepayment, which are consistent with the AAA and AA₂ stress for the Class A and Class B Notes, respectively. In sizing the required credit enhancements for the 2010-B Notes, we have assumed that the HP loan pool's net cumulative default rate will peak at 1.25% by the 20th month from origination and lead to a monthly incremental net default rate of 0.02% thereafter, at a stress multiple of 5 times for an AAA rating and 3.25 times for an AA₂ rating. Meanwhile, our cashflow runs and tranching of the 2010-B Notes also incorporate low- and high-prepayment-rate scenarios.

The outcome of RAM Ratings' cashflow analysis indicates that the transaction will be able to meet the coupons on a timely basis, along with the ultimate redemption of the Class A and Class B Notes by their respective maturity dates.

The portfolio of securitised HP loans backing the 2010-B Notes provides respective OC ratios of 10.31% and 7.45% for the Class A and Class B Notes.

■ Legal and Tax Issues

RAM Ratings has reviewed the Programme's transaction documents and is satisfied that they reflect the intended structure. In addition, we do not expect any cross-collateralisation of security between the existing and future indebtedness of the Issuer.

The tax liabilities have been estimated on a combined basis according to the issued amounts under the Programme; the cashflow allocated in respect of tax liabilities has been calculated at the Issuer's level.

■ Surveillance

RAM Ratings will monitor the transaction's performance on a regular basis via the monthly performance reports to be prepared by the Servicers and the Trustee. We will keep the ratings under surveillance as long as there are outstanding tranches within the Programme.

■ Corporate Information – Premium Commerce Berhad

Date of Incorporation: 12 April 2004

Commencement of Business: 20 May 2005

Shareholders: Malaysian Trustees Berhad (as Share Trustee) 100%

Directors: Ms Lui Kwee Hui
Mr Lee Yun Choong

Auditor: KPMG

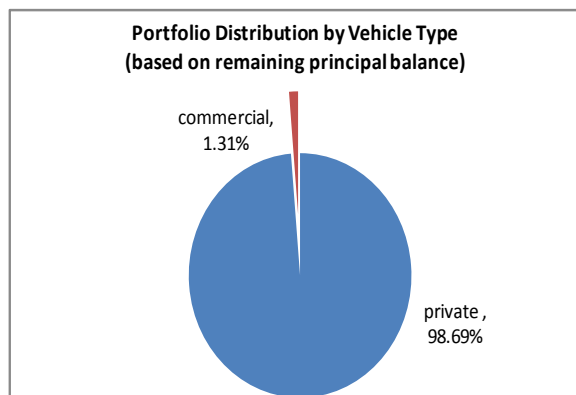
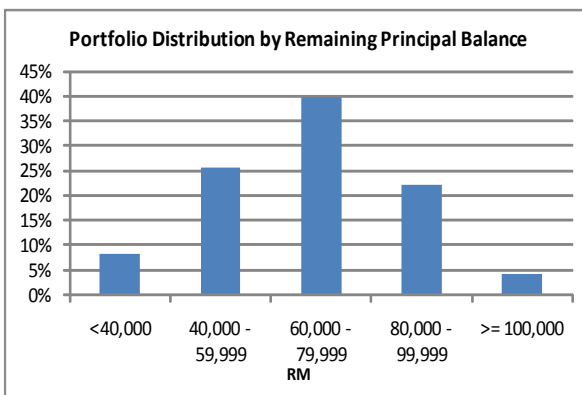
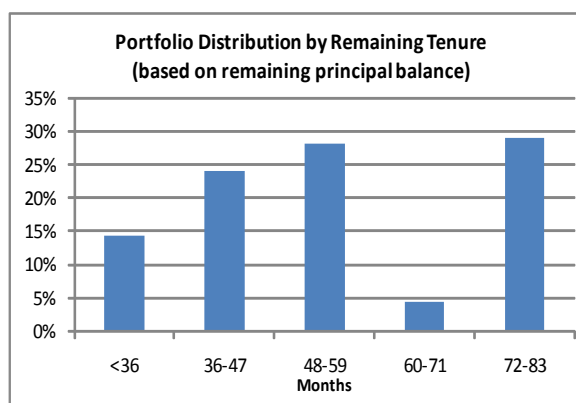
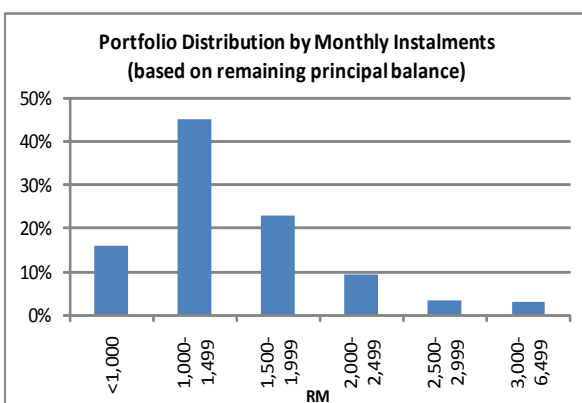
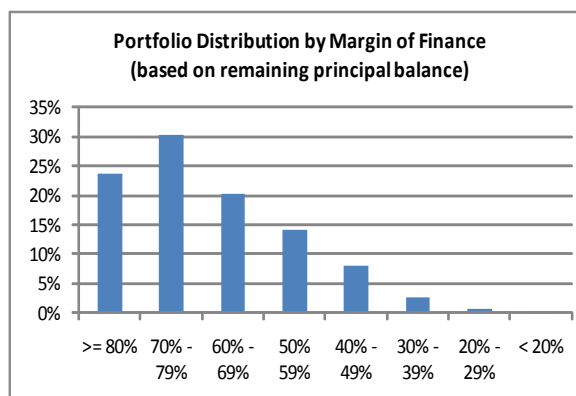
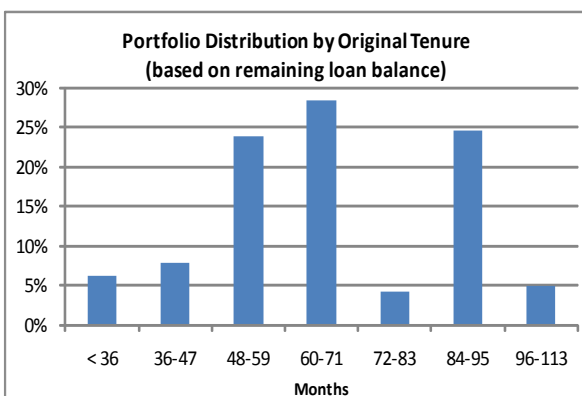
Listing: Not listed

Key Management: Not applicable

Year	Remarks	Amount	Cumulative Total
2004	Paid-up capital	2	2

APPENDIX 1

Composition of Loan Portfolio Backing Notes 2010-B As at 30 September 2010





CREDIT RATING DEFINITIONS

Issue Ratings

An Issue Rating is RAM Ratings' current opinion on the creditworthiness of a particular debt issue. It reflects the overall capacity and willingness of an issuer to meet the financial obligations on a particular debt issue on a full and timely basis, taking into account its expressed terms and conditions.

Long-Term Ratings

AAA	An issue rated AAA has superior safety for payment of financial obligations. This is the highest long-term Issue Rating assigned by RAM Ratings.
AA	An issue rated AA has high safety for payment of financial obligations. The issuer is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
A	An issue rated A has adequate safety for payment of financial obligations. The issuer is more susceptible to adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.
BBB	An issue rated BBB has moderate safety for payment of financial obligations. The issuer is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories. This is the lowest investment-grade category.
BB	An issue rated BB has low safety for payment of financial obligations. The issuer is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.
B	An issue rated B has very low safety for payment of financial obligations. The issuer has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.
C	An issue rated C has a high likelihood of default. The issuer is highly dependent on favourable changes in circumstances, economic conditions and/or operating environments, the lack of which would likely result in it defaulting on a particular debt issue.
D	An issue rated D is either currently in default or faces imminent default on its financial obligations, whether or not formally declared. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardise the payment of a particular debt issue.

Short-Term Ratings

P1	An issue rated P1 has high safety for payment of financial obligations in the short term. This is the highest short-term Issue Rating assigned by RAM Ratings.
P2	An issue rated P2 has adequate safety for payment of financial obligations in the short term. The issuer is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.
P3	An issue rated P3 has moderate safety for payment of financial obligations in the short term. The issuer is more likely to be weakened by the effects of deteriorating circumstances than those in higher-rated categories. This is the lowest investment-grade category.
NP	An issue rated NP has doubtful safety for payment of financial obligations in the short term. The issuer faces major uncertainties that could compromise its capacity for payment of a particular debt issue.
D	An issue rated D is either currently in default or faces imminent default on its financial obligations, whether or not formally declared. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardise the payment of a particular debt issue.

For long-term ratings, RAM Ratings applies subscripts 1, 2 or 3 in each rating category from AA to C. The subscript 1 indicates that the issue ranks at the higher end of its generic rating category; the subscript 2 indicates a mid-ranking; and the subscript 3 indicates that the issue ranks at the lower end of its generic rating category. In addition, RAM Ratings applies the suffixes (bg) or (s) to ratings which have been enhanced by a bank guarantee or other supports, respectively.

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Notes Trustee and

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Bank Negara Malaysia
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Rating Agency

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