

Glenealy Plantations Sdn Bhd

Unrated medium term notes programme (MTN Programme) of up to RM1,250,000,000.00 in nominal value

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Glenealy Plantations Sdn Bhd
- (2) Address : Registered address: Suite 16-10, Level 16, Wisma UOA II, No. 21, Jalan Pinang 50450 Kuala Lumpur, Wilayah Persekutuan. Business address: C-3A-1, Plaza Arkadia, No. 3, Jalan Inti Sari Perdana Desa Parkcity, 52200 Kuala Lumpur, Wilayah Persekutuan.
- (3) Date of incorporation: 14 May 1959
- (4) Place of incorporation : Malaysia
- (5) Business registration: 3453- X
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Investment holding and provision of management services to its subsidiary companies
- (10) Issued and paid-up : RM114,090,792 divided into 114,090,792 ordinary shares
share capital

- (11) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The shareholders and shareholding structure of the Issuer as at 26 October 2018 are as follows:

No.	Name of shareholder	No. of ordinary shares held (direct)	% of shareholding
1.	Samling Strategic Corporation Sdn Bhd (Company No. 53282-H)(1)	17,520,000	15.36%

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2.	Samling Investment Inc (Company No.1696664)(2)	52,842,270	46.32%
3.	Lingui Developments Sdn Bhd (Company No.7574-D)(3)	43,702,795	38.30%
4.	Alpenview Sdn Bhd (Company No. 226641-T)(4)	25,727	0.02%

Legend:

(1) The Issuer's total issued share capital is 15.36% directly held by Samling Strategic Corporation Sdn Bhd which is in turn a wholly owned subsidiary of Yaw Holding Sdn Bhd which in turn is held by the following individuals:

- (i) Tan Sri Datuk Amar Yaw Teck Seng
 - (ii) Dato' Sri Yaw Chee Ming
 - (iii) Yaw Chee Chik
 - (iv) Datuk Seri Yaw Chee Siew
 - (v) Yaw Chee Weng
 - (vi) Yaw Chee Yun
 - (vii) Puan Sri Su Khuan Ying
- (collectively, referred to as "**Ultimate Shareholders**").

(2) The Issuer's total issued share capital is 46.32% owned by Samling Investment Inc which in turn is a wholly owned subsidiary of Samling Global Limited which in turn is:

- (i) 93.19% held by Samling Strategic Corporation Sdn Bhd which in turn is a wholly owned subsidiary of Yaw Holding Sdn Bhd which in turn is held by the Ultimate Shareholders;
- (ii) 1.59% held by Tan Sri Datuk Amar Yaw Teck Seng;
- (iii) 0.48% held by Growtrade Investment Limited which in turn is a wholly owned subsidiary of Dato Sri Yaw Chee Ming; and
- (iv) 4.74% owned by Samling International Limited which in turn is 99.90% held by Tan Sri Datuk Amar Yaw Teck Seng and 0.10% held by Dato Sri Yaw Chee Ming.

(3) The Issuer's total issued share capital is 38.30% directly held by Lingui Developments Sdn Bhd which in turn is a wholly owned subsidiary of Samling Malaysia Inc which in turn is a wholly owned subsidiary of Samling Global Limited which in turn is:

- (i) 93.19% held by Samling Strategic Corporation Sdn Bhd which in turn is a wholly owned subsidiary of Yaw Holding Sdn Bhd which in turn is held by the Ultimate Shareholders;
- (ii) 1.59% held by Tan Sri Datuk Amar Yaw Teck Seng;
- (iii) 0.48% held by Growtrade Investment Limited which in turn is a wholly owned subsidiary of Dato Sri Yaw Chee Ming; and
- (iv) 4.74% owned by Samling International Limited which in turn is 99.90% held by

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Tan Sri Datuk Amar Yaw Teck Seng and 0.10% held by Dato Sri Yaw Chee Ming.

(4) The Issuer's total issued share capital is 0.02% directly held by Alpenview Sdn Bhd which in turn is a wholly owned subsidiary of Lingui Developments Sdn Bhd which in turn is a wholly owned subsidiary of Samling Malaysia Inc which in turn is a wholly owned subsidiary of Samling Global Limited which in turn is:

(i) 93.19% held by Samling Strategic Corporation Sdn Bhd which in turn is a wholly owned subsidiary of Yaw Holding Sdn Bhd which in turn is held by the Ultimate Shareholders;

(ii) 1.59% held by Tan Sri Datuk Amar Yaw Teck Seng;

(iii) 0.48% held by Growtrade Investment Limited which in turn is a wholly owned subsidiary of Dato Sri Yaw Chee Ming; and

(iv) 4.74% owned by Samling International Limited which in turn is 99.90% held by Tan Sri Datuk Amar Yaw Teck Seng and 0.10% held by Dato Sri Yaw Chee Ming

(12) Board of directors :

No.	Name
1	Chan Hua Eng
2	Dato Sri Yaw Chee Ming
3	Chia Kee Loong
4	Md Yusof Bin Hussin
5	Tan Sri Amirsham A Aziz
6	Dato Sri Fong Joo Chung

(13) Disclosure of the following :

- (i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or : None

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if any action
has been
initiated against
the issuer or its
board members
for breaches of
the same, for
the past ten
years prior to
the lodgement/
since
incorporation
(for issuer
incorporated
less than ten
years)

- (ii) If the issuer has: None
been subjected
to any action by
the stock
exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(B) PARTIES TO THE TRANSACTION

(a) Origination

No.	Roles	Name of parties
1	Issuer	Glenealy Plantations Sdn Bhd
2	Principal Adviser	OCBC Bank (Malaysia) Berhad
3	Lead Arranger	OCBC Bank (Malaysia) Berhad
4	Trustee	Malaysian Trustees Berhad
5	Solicitors	Messrs Kadir, Andri & Partners

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6	Facility Agent	OCBC Bank (Malaysia) Berhad
7	Security Agents	OCBC Bank (Malaysia) Berhad

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	Glenealy Plantations Sdn Bhd
2	Lead Manager	OCBC Bank (Malaysia) Berhad
3	Facility Agent	OCBC Bank (Malaysia) Berhad
4	Central Depository	Bank Negara Malaysia ("BNM")
5	Paying Agent	Bank Negara Malaysia ("BNM")
6	Security Agents	OCBC Bank (Malaysia) Berhad

(c) After distribution

No.	Roles	Name of parties
1	Issuer	Glenealy Plantations Sdn Bhd
2	Principal Adviser	OCBC Bank (Malaysia) Berhad
3	Facility Agent	OCBC Bank (Malaysia) Berhad
4	Trustee	Malaysian Trustees Berhad
5	Central Depository	Bank Negara Malaysia ("BNM")
6	Paying Agent	Bank Negara Malaysia ("BNM")
7	Security Agents	OCBC Bank (Malaysia) Berhad

(C) DETAILS OF FACILITY/PROGRAMME

Unrated medium term notes programme (MTN Programme) of up to RM1,250,000,000.00 in nominal value

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- (1) Name of facility : Unrated medium term notes programme ("MTN Programme") of up to RM1,250,000,000.00 in nominal value
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : Not applicable
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : An unrated MTN Programme comprising senior medium term notes of up to RM1,000,000,000.00 in nominal value ("**Senior MTNs**") and subordinated medium term notes of up to RM250,000,000.00 in nominal value ("**Subordinated MTNs**").
- (5) Currency : Ringgit
- (6) Expected facility/ programme size : Up to MYR 1,250,000,000.00
- (7) Option to upsize (for programme) : No
- (8) Tenure of facility/ programme : 15 year(s)
- (9) Availability period for: debt/ sukuk programme : **Senior MTNs**
- (i) Tranche 1: Up to RM600.0 million or such other issuance amount which complies with the LTV Ratio (as defined below) of 80%, whichever is lower.

The availability period for the Senior MTNs under Tranche 1 shall be five (5) years from the first issuance under the MTN Programme.

(ii) Other Tranches: The availability period for other tranches of the Senior MTNs will be mutually agreed between the Issuer and the relevant subscribers of the Senior MTNs.

Subordinated MTNs

The Subordinated MTNs may be issued at any time during the period from completion of the Transaction Documents (as defined below) and compliance of all conditions precedent to the satisfaction of the Lead Arranger, unless waived by the Lead Arranger, and ending on the expiry date of the MTN Programme.

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- (10) Clearing and settlement platform : Payments Network Malaysia Sdn. Bhd. ("**PayNet**")
- (11) Mode of issue : ☒ Private/direct placement
☒ Bought deal
- (12) Selling restrictions : (i) At issuance:
☒ Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
☒ Part 1 of Schedule 7 of the CMSA
☒ Read together with Schedule 9 of CMSA
(ii) After issuance:
☒ Part 1 of Schedule 6 of the CMSA
☒ Read together with Schedule 9 of CMSA
- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
MYR 1,250,000,000.00
Size in Ringgit which are non-tradable and non-transferable:
Not applicable
- (14) Secured/combinatio : **Senior MTNs**
n of unsecured and secured, if applicable
The Senior MTNs shall be secured by the following on a pari passu basis:
1. Third party first legal charge over the rights, benefits and/or privileges of the License for Planted Forests No. LPF/0007 ("**LPF**") granted to Samling Reforestation (Bintulu) Sdn Bhd as the LPF owner (inclusive of the rights of Timor Enterprises Sdn Bhd sub-licensed by Samling Reforestation (Bintulu) Sdn Bhd from the LPF to establish and maintain the oil palm plantation on that part of sub-licensed area described as the "OP Area" in the sub-licence agreement dated 30 August 2007), to be registered by the Director of Forests in the Register of Licences ("**LPF Charge**"); and
2. First party legal charge over the rights, title, interests and benefits to and under the debt service reserve account ("**DSRA Charge**").
Subordinated MTNs
Unsecured.
- (15) Details of guarantee, : Not guaranteed
if applicable
- (16) Convertibility of : Non-convertible
issuance and details of the convertability

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

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

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

(20) Details of covenants : Positive Covenants

Including but not limited to the following:

(i) The Issuer shall ensure that its shareholding structure remains unchanged during the tenure of the MTN Programme, save and except for the purposes of any corporate exercises (including the listing of (a) any of the assets owned by the Issuer and/or its subsidiaries acceptable to the Senior MTN holders and when provided as security for the Senior MTNs so as to comply with the LTV Ratio under the MTN Programme ("**Assets**") or (b) any of the plantation lands (including any mills being erected thereon) which may be acquired by the Issuer and/or its subsidiary companies utilising the proceeds of the Senior MTNs raised from the MTN Programme ("**Plantation Lands**") or (c) any subsidiary of the Issuer or (d) any associate company of the Issuer) wherein the Issuer shall remain to be at least fifty one percent (51%) owned directly or indirectly by Yaw Holding Sdn Bhd (Company No. 163758-D);

(ii) The Issuer shall promptly perform and carry out all material obligations under the Transaction Documents (including without limitation, to the obligations to redeem the MTNs on the relevant maturity dates or on any other date on which the MTN shall become due and payable) and ensure that it shall immediately notify the Trustee in the event that the Issuer is unable to perform or comply with any provisions of the Transaction Documents;

(iii) The Issuer shall maintain an accounting system and keep adequate records and proper books and accounts at all times in compliance with the applicable statutory requirements and in accordance with general accepted accounting principles in Malaysia and shall provide the Trustee and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law at any of its offices, branch offices or places of business elsewhere and all records kept by any authorities or persons so far as such records relate to or affect all of the foregoing and/ or all or any of the Issuer's assets and give such written authorities as may be required to enable the Trustee and any persons appointed by it to inspect the same;

(iv) The Issuer shall prepare its accounts on a basis consistently applied in accordance with generally accepted accounting principles in Malaysia and those accounts shall represent fairly the Issuer's financial position and give a true and fair view of its financial condition and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;

(v) The Issuer and/or the security party shall promptly comply with all applicable

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laws and regulations (including but not limited to the provisions of the CMSA, circulars, conditions or guidelines issued by the SC, BNM and/or PayNet from time to time and/or other authorities having jurisdiction over matters pertaining to the MTN Programme) and best practices relating to or regulating: (a) the ownership of its assets; (b) the carrying on by the Issuer and/or the security party of the business it engages in or proposes to engage in; and (c) the entry into and performance by the Issuer and/or the security party of its obligations under the Transaction Documents to which it is a party including to ensure the validity, enforceability and priority of its liabilities and obligations and the rights of the MTN holders under the Transaction Documents;

(vi) The Issuer shall open and maintain throughout the tenure of the MTN Programme active current accounts with OCBC Bank (Malaysia) Berhad (“**OCBC**”) and to channel the sale proceeds and/or revenues from the LPF Charge, the Plantation Lands and the Assets (collectively “**Charged Assets**”) into the aforementioned current accounts. The Issuer shall consent to the periodic reviews by the Security Agent and/or the Trustee for compliance of this covenant;

(vii) The Issuer and/or the security party shall exercise reasonable diligence in carrying out and operating its business and affairs in a proper and efficient manner which should ensure, amongst others, that all necessary approvals or relevant licences are obtained and maintained, and in accordance with sound financial and commercial standards and practices;

(viii) The Issuer shall notify the Trustee and the Facility Agent immediately of:

(a) in the event it incurs any further indebtedness;

(b) any circumstances that has occurred that would materially prejudice it or any security included or created under the MTN Programme and any other matter that may materially prejudice the interests of the MTN holders;

(c) any claims against it which could have Material Adverse Effect (as defined below) upon the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party and shall defend itself against such claims;

(d) any change in the withholding tax position or taxing jurisdiction of the Issuer insofar as it affects the payment obligations of the Issuer under the trust deed;

(e) any change in the utilisation of proceeds from the MTNs as set out under the programme agreement;

(f) any substantial change in the nature of business of the Issuer; and

(g) the occurrence of any event of default or any other right or remedy under the terms of the MTNs or the trust deed shall have become immediately enforceable.

(ix) The Issuer shall maintain a paying agent in Malaysia and procure that the paying agent to forthwith notify the Trustee through the Facility Agent if for any reason whatsoever, the paying agent does not receive payment from the Issuer on the due dates as required under the Transaction Documents to satisfy all payments then due in respect of the MTNs.

(x) The Issuer shall ensure that the shareholding structure of Samling Reforestation (Bintulu) Sdn Bhd remains unchanged during the tenure of the MTN Programme.

(xi) The Issuer shall utilise the proceeds from the issuance of the MTNs for its

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intended purposes.

"Material Adverse Effect" means, in relation to any event, the occurrence of which may materially and adversely affect (i) the ability of the Issuer to perform any of its obligations under the Transaction Documents and/or (ii) the financial position and/or business of the Issuer; and (iii) total loss on any of the Charged Assets which in the reasonable opinion of the Trustee would significantly impair the ability of the Issuer to service the MTNs.

Negative covenants

Including but not limited to the following:

- (i) Each of the Issuer and/or the security party shall not add, delete, amend or substitute its constitution in a manner inconsistent with the provisions of the Transaction Documents or which may be materially prejudicial to the interest of the MTN holders and or which may have a Material Adverse Effect on the Issuer's liability to perform any of its obligations under the Transaction Documents to which it is a party.
- (ii) The Issuer shall not reduce or in any way whatsoever alter (other than by way of an increase), its authorised and/or paid-up capital and/or issued shares in existence as at the date of the trust deed whether by varying the amount, structure or value thereof or the rights attached thereto or by consolidating, dividing or subdividing all or any of its shares.
- (iii) The Issuer shall not enter into any agreement or transaction, whether directly or indirectly, with interested persons (including directors, major shareholders or the chief executive of the Issuer, or persons connected with directors, major shareholders or the chief executive of the Issuer ("**Interested Persons**")), unless such agreement or transaction is on the terms that are no less favourable to it than those which could have been obtained in a comparable transaction from persons who are not the Interested Persons.
- (iv) Each of the Issuer and/or the security party shall not create or permit to exist any new security interest of any kind over the Charged Assets.
- (v) The Issuer shall not make any distribution to its shareholders if: (i) such distribution will result to the breach of any of the financial covenants; or (ii) an event of default has occurred which is continuing and has not been waived or an event of default will occur as a result of such payment or distribution to its shareholders.
- (vi) Each of the Issuer and/or the security party shall not create or permit to exist any encumbrances, mortgages, charges (whether fixed or floating), pledges, liens, hypothecations, assignments by way of security, trust arrangements for the purpose of providing security or other security interest of any kind including, without limitation, title transfers and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, on the Plantation Lands or the Assets to be acquired or the palm oil mill to be constructed utilising the proceeds raised from the issuance of the Senior MTNs.

Financial Covenants

Covenants usual and customary to the Issuer, and such other covenants as may be advised by the Solicitors for a transaction similar in nature to the MTN Programme shall apply including but not limited to the following financial

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covenants:

(a) Loan-to-Value Ratio

(i) The Issuer is required to maintain a loan-to-value ratio ("**LTV Ratio**") of not more than eighty percent (80%) throughout the life of the MTN Programme for so long as there is any Senior MTNs which has not been redeemed in full, surrendered or cancelled.

(ii) The LTV Ratio shall be calculated as a ratio of the outstanding nominal value of the Senior MTNs to the open market value ("**OMV**") of the Plantation Lands, the Assets and the oil palm plantation areas planted on the parcel of land described in the LPF (shall collectively be referred to as the "**Valuation Assets**") based on the valuation prepared by independent surveyor or valuer appointed by the Issuer and approved by the Security Agent which will also indicate the OMV of the LPF, in form and substance satisfactory to the Security Agent and prepared on such basis and methodology acceptable to the Security Agent.

(iii) The LTV Ratio shall be tested on an annual basis in accordance with the following:

(1) the first annual test shall be done prior to the first issue of the Senior MTNs under the MTN Programme based on the OMV of the Valuation Assets in the latest valuation report which will also indicate the OMV of the LPF ("**First Valuation**") to be provided by the independent valuer acceptable to the Security Agent and the relevant subscribers of the first issue of the Senior MTNs or based on any method of computation as may be acceptable to the Security Agent;

(2) subsequent tests shall be done on each anniversary date from the First Valuation, based on the following:

(A) new valuation report every three (3) years from the First Valuation; and

(B) desktop valuation will be provided other than the periods mentioned under paragraph (A) above; and

(3) as and when reasonably requested by the Security Agent and the relevant subscribers of the Senior MTNs.

(iv) The Issuer shall unconditionally and irrevocably undertake that in the event of a breach of the LTV Ratio, to restore the LTV Ratio to the required level of eighty per cent (80%) within sixty (60) business days from the receipt of a written notice from the Security Agent or the Issuer becoming aware of such breach, whichever is earlier.

(b) Net Gearing Ratio

The Issuer is required to maintain a debt to equity ("**DE**") ratio of not more than one point five (1.50) times.

DE ratio is defined as all indebtedness of the Issuer and its subsidiaries ("**Glenealy Group**"), comprising all indebtedness for borrowed monies and finance lease obligations but excludes any shareholders' loans that are subordinated to the Senior MTNs and the Subordinated MTNs and any loan or advances from a related company incorporated in Malaysia that provides centralised treasury management services for the Glenealy Group, less cash in hand/at bank over the Shareholders' Funds (as defined below).

"**Shareholders' Funds**" is defined as the Glenealy Group's total paid-up capital

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and reserves (including minority interests) plus subordinated shareholders' debts as referred to herein and the Subordinated MTNs. All shareholders' advances of the Glenealy Group shall be subordinated to the Senior MTNs.

(c) Debt Service Coverage Ratio

(i) The Issuer is required to maintain a minimum debt service coverage ratio ("DSCR") of one point five (1.50) times at all times.

(ii) The DSCR computation is in accordance with the following formula:

$$\text{DSCR} = \frac{\text{Total Opening Cash Balances} + \text{Net Operating Cash Flow in the Financial Year}}{\text{Principal Due} + \text{Net Interest and/or Coupon Payments Due on Total Indebtedness of the Glenealy Group in the Financial Year}}$$

Principal Due + Net Interest and/or Coupon Payments Due on Total Indebtedness of the Glenealy Group in the Financial Year

where:

(A) **Total Opening Cash Balances** is the total cash balances of the Glenealy Group including the Debt Service Reserve Account at the beginning of the financial year;

(B) **Net Operating Cash Flow in the Financial Year** is the net cash from the operating activities before tax (i.e. excluding or before the cash flows for investing and financing activities) for the financial year as per the Glenealy Group's audited financial statements;

(C) **Principal Due** is calculated based on the scheduled principal maturities of the Glenealy Group's total indebtedness (if any) during the financial year but excluding principal sums, if any, paid by way of refinancing; and

(D) **Net Interest and/or Coupon Payments Due on Total Indebtedness of the Glenealy Group in the Financial Year** is the total interests and/or coupons to be paid for the Glenealy Group's total indebtedness less interest income of the Glenealy Group during the financial year.

Information Covenants

Covenants usual and customary to the Issuer, and such other covenants as may be advised by the Solicitors for a transaction similar in nature to the MTN Programme shall apply. The Issuer shall provide to the Trustee and the Facility Agent (as the case may be) the following non-exhaustive information covenants:

(i) the half-yearly progress report (in the format agreeable between the Issuer and the Facility Agent) on the plantation development and construction of the mills funded from the proceeds raised from the Senior MTNs issuance under the MTN Programme;

(ii) the semi-annual unaudited management accounts of the Issuer within ninety (90) days from the end of each half of its financial year;

(iii) the year-end audited financial statements of the Issuer within one hundred and eighty (180) days from the financial year end, and such other information (financial or otherwise) as the Trustee and the Facility Agent may reasonably require from time to time;

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(iv) promptly, after receipt of such request from the Trustee and the Facility Agent, any other information relating to its business, affairs and financial condition as may from time to time be reasonably requested by the Trustee in order to discharge its duties and obligations as trustee under the trust deed, to the extent permitted by law;

(v) promptly, any accounts, reports, notices, statements, circulars and other documents despatched by the Issuer to its shareholders; and

(vi) the Issuer shall submit its annual drawdown schedule ("**Annual Drawdown Schedule**") to the Facility Agent. In connection to the aforementioned, the Issuer shall submit its first Annual Drawdown Schedule ("**First Drawdown Schedule**") no later than five (5) days prior to the first issue date, setting out the issuance amount to be utilised for the next twelve (12) months period from the first issue date. For subsequent Annual Drawdown Schedule, at least fourteen (14) days after the last day of the twelve (12) months period of the last Annual Drawdown Schedule.

(21) Details of designated account, if applicable :

Name of account:
Debt service reserve account ("DSRA")

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Maintained by the Issuer with OCBC and operated solely by the Security Agent

Signatories to account:
The signatory to the DSRA will be the authorised signatories of the Security Agent.

Sources of funds:

The Issuer shall deposit an amount equivalent to the next immediate coupon payment (the "**Minimum Balance**") under the Senior MTNs in the DSRA.

Utilisation of funds:

In the event any amount in the DSRA is utilised for the servicing of coupon payments under the Senior MTNs, the Issuer shall top up the credit balance in the DSRA up to an amount equivalent to the next coupon payment due on the Senior MTNs within thirty (30) days commencing from the date of withdrawal of such amount in the DSRA. Funds held in the DSRA shall be permitted to be invested in permitted investments by the Security Agent upon instruction from the Issuer.

(22) Name of credit rating agency, credit rating and amount rated, if applicable :

Not rated

(23) Conditions precedent :

Conditions precedent usual and customary to the Issuer, and such other conditions precedent as may be advised by the Solicitors for a transaction similar in nature to

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the MTN Programme shall apply including but not limited to the following conditions precedent:

Conditions precedent for the first issuance of the Senior MTNs under the MTN Programme

(i) Main Documentation

1. Satisfactory completion and execution of all legal documentation, including but not limited to the Transaction Documents (other than the LPF Charge), the DSRA Charge and any other necessary documents and stamped or duly endorsed as exempted from stamp duty; and

2. All relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be.

(ii) General

1. Acknowledgement in respect of the lodgement of the MTN Programme to the SC has been obtained;

2. Satisfactory legal opinion from the Solicitors advising with respect to, among others, the legality, validity and enforceability of the relevant Transaction Documents and that all the conditions precedent in relation to the relevant Transaction Documents have been duly fulfilled or waived, addressed to OCBC (as the Principal Adviser/Lead Arranger);

3. Evidence that the DSRA has been opened with the Security Agent as the sole signatory;

4. Receipt of a valuation report from a firm of valuer acceptable to the Security Agent and the relevant subscribers of the first issue of the Senior MTNs confirming the OMV of the Valuation Assets and the OMV of the LPF. The OMV of the Valuation Assets shall provide a LTV Ratio of not more than 80% which shall be calculated as a ratio of the nominal value of the Senior MTNs to be issued under the first issuance to the OMV of the Valuation Assets as indicated in the valuation report. The date of valuation report must not be more than six (6) months prior to the first issue date and the report is to be addressed to the Security Agent; and

5. Letter of undertaking from the Issuer in favour of the Security Agent on such terms and conditions acceptable to the Lead Arranger and the Facility Agent whereby the Issuer undertakes, inter alia:

(i) to create such charges, assignments, transfers or agreements in favour of the Security Agent as the Security Agent shall require on all the Issuer's rights, title and interests in and to the Plantation Lands;

(ii) to further create such charges, assignments, transfers, agreements or pledges in favour of the Security Agent on the Assets acceptable to the Senior MTNs holders as and when required so as to comply with the LTV Ratio under the MTN Programme;

(iii) not to create or permit to exist any security interests over the Plantation Lands and the Assets other than in favour of the Security Agent under the MTN Programme; and

(iv) to ensure that there are no conditions, restrictions or stipulations to which the Plantation Lands and the Assets are subject to which would or might prejudice the Security Agent's interest or render the security interests proposed to be created thereon invalid, void or unenforceable.

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Conditions precedent for the second issuance of the Senior MTNs under the MTN Programme

1. Satisfactory completion and execution of the LPF Charge and stamped or duly endorsed as exempted from stamp duty;
2. Satisfactory legal opinion from the Sarawak legal counsel with respect to, amongst others, the legality, validity and enforceability of the LPF Charge and confirmation that the requisite approvals for the LPF Charge have been obtained and the LPF Charge has been perfected and registered in accordance with the manner prescribed under Forests Ordinance and Forests (Planted Forests) Rules 1997 and/or other applicable laws, ordinances or rules of Sarawak; and
3. The LTV Ratio of not more than 80% is maintained which shall be calculated as a ratio of the aggregate of the nominal value of the outstanding Senior MTNs and the nominal value of the Senior MTNs to be issued to the OMV of the Valuation Assets based on the latest valuation on the Valuation Assets.

Conditions precedent for subsequent issuances of the Senior MTNs under the MTN Programme

1. Confirmation from the Issuer that all relevant representation and warranties remain true and correct;
2. No event of default has occurred or is continuing; and
3. The LTV Ratio of not more than 80% is maintained which shall be calculated as a ratio of the aggregate of the nominal value of the outstanding Senior MTNs and the nominal value of the Senior MTNs to be issued to the OMV of the Valuation Assets based on the latest valuation on the Valuation Assets.

Conditions precedent for issuances of the Subordinated MTNs under the MTN Programme

Nil.

(24) Representations and warranties

Representations and warranties usual and customary to the Issuer, and such other representations and warranties as may be advised by the Solicitors for a transaction similar in nature to the MTN Programme shall apply which includes but not limited to the following representations and warranties:

- (i) The Issuer is a company duly established and validly existing under the laws of Malaysia and has the power and authority to own assets and to carry on its business;
- (ii) The Issuer has the power to enter into, exercise its rights and perform its obligations under the Transaction Documents to which it is a party;
- (iii) All necessary actions, authorisations and consents required under the respective Transaction Documents have been taken, fulfilled and obtained and will remain in full force and effect;
- (iv) No Material Adverse Effect in the business condition (financial or otherwise), operations, performance, properties or prospects of the Issuer;
- (v) The Transaction Documents constitute valid, binding and enforceable obligations of the Issuer in accordance with their respective terms;

Principal Terms and Conditions

- (vi) The Issuer's entry into, exercise of its rights and performance of its obligations under the Transaction Documents to which it is a party do not and will not violate any existing law or agreement to which it is a party;
- (vii) There is no litigation or arbitration that will materially and adversely affect the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party;
- (viii) The audited financial statements of the Issuer of each of its financial year have been prepared on a basis consistently applied in accordance with the approved accounting standards in Malaysia and give a true and fair view of the results of its operations for that year and the state of its affairs at that date;
- (ix) The Issuer is in compliance and will comply with any applicable laws and regulations;
- (x) No event which would constitute a contravention of or default under the Transaction Documents has occurred; and
- (xi) Any other representations and warranties as maybe advised by the Solicitors.

Principal Terms and Conditions

- (25) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- Events of default usual and customary to the Issuer, and such other events of default as may be advised by the Solicitors for a transaction similar in nature to the MTN Programme shall apply including but not limited to the following events of default:
- (i) Any default in payment of any principal, interest or such other amounts due and payable under the Senior MTNs;
 - (ii) A winding-up order has been made against the Issuer or a resolution to wind up the Issuer has been passed;
 - (iii) A receiver has been appointed over the whole or a substantial part of the assets of the Issuer;
 - (iv) A breach by the Issuer of any term or condition in the Senior MTNs or provision of the trust deed or any other document relating to the issue, offer or invitation in respect of the Senior MTNs other than an obligation of the type referred to in item (i) above and, if in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of fourteen (14) days after the Issuer became aware or having been notified by the Trustee of the breach;
 - (v) Any other indebtedness of the Issuer becomes due and payable prior to its stated maturity by reason of a declaration of a default or event of default, however described, or where the security created for any other indebtedness becomes enforceable;
 - (vi) A revocation, withholding or modification of a license, authorisation or approval that impairs or prejudices the Issuer's ability to comply with the terms and conditions of the Senior MTNs or the provisions of the trust deed or any other document relating to the issue, offer or invitation in respect of the Senior MTNs;
 - (vii) Any representation or warranty made or implied under any provision of the Transaction Documents or any information, notice, opinion or certificate or other document delivered pursuant to the terms of the Transaction Documents proves to have been materially incorrect or misleading in particular deemed to be material by the Trustee as of the date at which made or deemed made;
 - (viii) Any provision of the Transaction Documents is or becomes (or is bona fide claimed by the Issuer or any other person to be or to have become) unenforceable for any reason whatsoever;
 - (ix) The Issuer ceases or threatens to cease to carry on all or a substantial part of its business;
 - (x) The Issuer becomes insolvent or commits an act of insolvency or is unable to pay its debts as they fall due or any judgment or judgments is or are obtained against the Issuer;
 - (xi) The Issuer convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement under Section 366 of the Companies Act 2016 or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent);

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

(xiii) Any other events which may be advised by the Solicitors.

(26) Governing laws : Laws of Malaysia

(27) Provisions on buy-back, if applicable : No provision on buy-back

(28) Provisions on early redemption, if applicable : **Early Redemption**
Senior MTNs

For the floating rate Senior MTNs, the Issuer may redeem the Senior MTNs (in whole or in part) at par, prior to their maturity provided that the following conditions are fulfilled:

- (i) notice period of at least thirty (30) calendar days is given to the Trustee;
- (ii) redemption is made on a coupon payment date; and
- (iii) minimum amount of RM5.0 million.

For the avoidance of doubt, any early redemption under this sub-paragraph will not be subject to any redemption premium.

For the fixed rate Senior MTNs, the Issuer may redeem the Senior MTNs (in whole or in part) at a price to be agreed between the Issuer and the Senior MTNs holders prior to their maturity provided that the following conditions are fulfilled:

- (i) notice period of at least thirty (30) calendar days is given to the Trustee;
- (ii) redemption is made on a coupon payment date or otherwise, a break funding cost (to be agreed between the Issuer and the Senior MTNs holders) will be imposed; and
- (iii) minimum amount of RM5.0 million.

Subordinated MTNs

Voluntary early redemption of the Subordinated MTNs are not allowed until and unless the Senior MTNs are fully redeemed.

Mandatory Redemption

Senior MTNs

In the event that any Charged Asset which is charged or financed under the MTN Programme is being disposed off and/or being injected into any potential vehicle (either through direct disposal of the Charged Asset or via disposal of the respective companies which holds the Charged Asset) for listing or any corporate exercise that will result in the Issuer and/or its related companies not having direct ownership over the Charged Asset, the Issuer shall undertake to utilise the sales proceeds to redeem the outstanding Senior MTNs.

Principal Terms and Conditions

Subordinated MTNs

No mandatory redemption conditions.

- (29) Voting : All matters or resolutions which require the consent, waiver or determination by the MTNs holders shall be carried out in accordance with the terms of the relevant Transaction Documents and the provisions of the LOLA Framework (or such other applicable guidelines issued or substituted from time to time by SC).
- (30) Permitted investments, if applicable : **"Permitted Investments"** shall comprise investment products namely:
- (a) deposits in income bearing accounts and negotiable certificates of deposits with and issued by financial institutions licensed under the Financial Services Act, 2013 or the Islamic Financial Services Act, 2013;
 - (b) bankers acceptances, bills and repo instruments issued by financial institutions licensed under the Financial Services Act, 2013 or the Islamic Financial Services Act, 2013;
 - (c) short term or medium term papers, treasury bills and any other finance instruments issued by the Government of Malaysia; and
 - (d) other fixed income or debt capital market instruments of private entities acceptable to the Trustee having at least a long term rating of AAA (and short term rating of P1 or its equivalent) as determined by approved rating agency,
- provided always that:
- (i) such funds utilised for the Permitted Investments shall be remitted to the DSRA in a timely manner to meet any payment obligations when due and in any event in the case of repo instruments, the maturity of which shall be at least three (3) business days prior to any payment obligation becoming due and in the case of such other investments, the maturity of which shall be at least one (1) week prior to any payment obligation becoming due; and
 - (ii) such Permitted Investments are denominated in Ringgit Malaysia.
- (31) Ta'widh (for ringgit-denominated sukuk) : Not applicable
- (32) Ibra' (for ringgit-denominated sukuk) : Not applicable
- (33) Kafalah (for ringgit-denominated sukuk) : Not applicable