

BACKGROUND INFORMATION

1(A) *Issuer*

- (i) *Name* : GENM CAPITAL BERHAD
- (ii) *Address* : 24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
- (iii) *Business registration number* : 1102291-D
- (iv) *Date and place of incorporation* : 21 July 2014 in Malaysia.
- (v) *Date of listing, where applicable* : Not applicable.
- (vi) *Status on residence, i.e. whether it is a resident controlled company or non-resident controlled company* : Resident controlled company.
- (vii) *Principal activities* : The principal activity of the Issuer is to undertake financing activities of Genting Malaysia Berhad and its subsidiaries.
- (viii) *Board of Directors as at 31 July 2014* : (1) Ms Koh Poy Yong
(2) Mr Koh Chuan Seng
- (ix) *Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders as at 31 July 2014* :
- | Name | No. of Shares held | % of shareholding |
|-------------------------|--------------------|-------------------|
| Genting Malaysia Berhad | 2 | 100 |
- (x) *Authorised, issued and paid-up capital as at 31 July* : **Authorised share capital as at 31 July 2014**
RM400,000 comprising of 400,000 ordinary shares of RM1 each.

2014

Issued and fully paid-up share capital as at 31 July 2014

RM2 comprising of 2 ordinary shares of RM1 each.

(xi) *Disclosure of the following:*

- *If the Issuer or its board members have been convicted or charged with any offence under the securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, for the past five years prior to the date of the application; and*

None.

- *If the Issuer has 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 date of application.*

Not applicable as the Issuer is not a listed company.

**BACKGROUND
INFORMATION**

1(B) Guarantor

- (i) *Name* : Genting Malaysia Berhad ("**Guarantor**")
- (ii) *Address* : 24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
- (iii) *Business registration* : 58019-U

number

- (iv) *Date and place of incorporation* : 7 May 1980 in Malaysia
- (v) *Date of listing, where applicable* : 22 December 1989
- (vi) *Status on residence, i.e. whether it is a resident controlled company or non-resident controlled company* : Resident controlled company.
- (vii) *Principal activities* : The Company's principal activities include leisure and hospitality services, which comprise gaming, hotel, entertainment and amusement.
- (viii) *Board of Directors as at 31 July 2014* :
- (1) Tan Sri Lim Kok Thay
 - (2) Tun Mohammed Hanif bin Omar
 - (3) Mr Quah Chek Tin
 - (4) Tan Sri Alwi Jantan
 - (5) Mr Teo Eng Siong
 - (6) Gen. (R) Tan Sri Dato' Seri DiRaja Mohd Zahidi bin Hj Zainuddin
 - (7) Tan Sri Datuk Clifford Francis Herbert
 - (8) Dato' Koh Hong Sun
 - (9) Mr Lim Keong Hui

(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders as at 31 July 2014

	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Genting Berhad	2,795,789,159	49.30	-	-
Kien Huat Realty Sdn Berhad ("KHR")	1,198,930	0.02	2,795,789,159*	49.30
Kien Huat International Limited	-	-	2,796,988,089 ⁺	49.32
Parkview Management Sdn Bhd	-	-	2,796,988,089 ⁺	49.32

Notes:

* Deemed interest through Genting Berhad.

+ Deemed interest through KHR and Genting Berhad.

(x) Authorised, issued and paid-up capital as at 31 July 2014

: **Authorised share capital as at 31 July 2014**

RM800,000,000 comprising of 8,000,000,000 ordinary shares of RM0.10 each.

Issued and fully paid-up share capital as at 31 July 2014

RM593,804,464.80 comprising of 5,938,044,648 ordinary shares of RM0.10 each (including 267,107,400 treasury shares).

(xi) Disclosure of the following:

- If the Guarantor or its board members have been convicted or charged with any offence under the securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, for the past five years prior to the date of the application; and
- If the Guarantor

None.

has 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 date of application.

None.

PRINCIPAL TERMS AND CONDITIONS

2. ***Names of parties involved in the proposed transaction (where applicable)***

- | | | | |
|-----|-------------------------------------|---|---|
| (a) | (i) <i>Joint Principal Advisers</i> | : | CIMB Investment Bank Berhad (" CIMB ") and Maybank Investment Bank Berhad (" Maybank IB "). |
| | (ii) <i>Joint Lead Arranger</i> | : | CIMB and Maybank IB. |
| | (iii) <i>Co-arranger</i> | : | Not applicable. |
| | (iv) <i>Solicitors</i> | : | 1) Messrs. Adnan Sundra & Low (for the Joint Principal Advisers and Joint Lead Arrangers); and
2) Messrs. Zul Rafique & partners (for the Issuer and the Guarantor). |
| | (v) <i>Financial Adviser</i> | : | Not applicable. |
| | (vi) <i>Technical Adviser</i> | : | Not applicable. |
| | (vii) <i>Bond Trustee</i> | : | AmTrustee Berhad (" Trustee "). |
| | (viii) <i>Guarantor</i> | : | Genting Malaysia Berhad. |
| | (ix) <i>Valuer</i> | : | Not applicable. |

- (x) *Facility Agent* : Maybank Investment Bank Berhad.
- (xi) *Primary subscriber (under a bought-deal arrangement) and amount subscribed* : To be determined prior to each issuance (in the event of a bought deal arrangement).
- (xii) *Underwriter and amount underwritten* : Not applicable.
- (xiii) *Central Depository* : Bank Negara Malaysia (“**BNM**”).
- (xiv) *Paying Agent* : BNM.
- (xv) *Reporting Accountant* : PricewaterhouseCoopers.
- (xvi) *Calculation Agent* : Not applicable.
- (xvii) *Others (please specify)* : Joint Lead Managers/Lead Manager(s)
 For the first issue: CIMB, Maybank IB, OCBC Bank (Malaysia) Berhad, RHB Investment Bank Berhad, AmlInvestment Bank Berhad and Hong Leong Investment Bank Berhad (“**Joint Lead Managers**”).

For subsequent issues: Such party(ies) as may be appointed by the Issuer prior to each issuance (“**Lead Managers**”).

Security Agent

Maybank Investment Bank Berhad as security agent to hold the benefit of the Guarantee (as defined in item 2(v)(iv) below) on trust for the Trustee and the holders of the MTNs (as defined in item 2(b) below) (“**Holders**”).

Joint Book Runners

For the first issue: CIMB, Maybank IB, OCBC Bank (Malaysia) Berhad, RHB Investment Bank Berhad, AmlInvestment Bank Berhad and Hong Leong Investment Bank Berhad.

For subsequent issues: Such party(ies) as may be appointed by the Issuer prior to each issuance.

- (b) *Facility Description* : Issuance of medium term notes (“**MTNs**”) pursuant to a medium term note programme of RM5.0 billion in nominal value (“**MTN Programme**”).
- (c) *Issue/Debt Programme Size* : The outstanding nominal value of the MTNs issued under the MTN Programme shall not exceed RM5.0 billion in nominal value

at any point in time.

- (d) *Tenure of Issue/Debt Programme* : MTN Programme and Availability Period
Twenty (20) years from the date of the first issue under the MTN Programme.
Each MTN
Each MTN shall have maturities of more than one (1) year and up to twenty (20) years, as the Issuer may determine, provided that the MTNs mature on or prior to the expiry of the MTN Programme.
- (e) *Availability period of Debt Programme* : The period commencing from the date the conditions precedent of the MTN Programme are fulfilled or waived (as the case may be), provided that the MTNs mature on or prior to the expiry of the MTN Programme.
- (f) *Interest/Coupon Rate* : To be determined prior to each issuance.
- (g) *Interest/Coupon Payment frequency* : Semi-annual or such other period as the Issuer and the Joint Lead Managers/Lead Manager(s)/relevant investors may agree.
Not applicable for MTNs with zero coupon.
- (h) *Interest/coupon payment basis* : Actual/365 days.
- (i) *Security /Collateral, where applicable* : None. However, there shall be a credit enhancement from the Guarantor in the form of the Guarantee ("**Guarantee**") in favour of the Security Agent for the benefit of the Trustee and the Holders.
- (j) *Details on utilisation of proceeds by Issuer* : The net proceeds from the MTN Programme shall be utilised for operating expenses, capital expenditure, investment, refinancing, working capital requirements and/or general funding requirements of the Guarantor and/or any of the Guarantor's subsidiaries ("**Group**") including to finance the development and/or re-development of the properties and/or resorts of the Guarantor and/or the Group including those located in Genting Highlands, Pahang, Malaysia.
- (k) *Sinking Fund and designated accounts, where applicable* : None.
- (l) *Rating*
- *Credit rating assigned and whether the rating is final or indicative* : The MTN Programme has been assigned an initial long-term rating of AAA(s).
 - *Name of credit rating agency* : RAM Rating Services Berhad ("**RAM**").

- (m) *Mode of Issue* : Private placement via direct placement on a best effort basis or a bought deal basis or book running on a best effort basis, as the Issuer may elect.
- The MTNs may be placed privately via the Joint Lead Managers/Lead Manager(s) on a best effort basis to selected investors at a yield to be agreed between the Issuer and the investors. The MTNs can also be placed out on a book running basis by the Joint Lead Managers/Lead Manager(s) on a best effort basis. Such private placement and book running shall be subject to terms and conditions to be mutually agreed between the Issuer and the Joint Lead Managers/Lead Manager(s).
- The MTNs may also be issued on a bought deal basis based on terms and conditions to be mutually agreed upon between the Issuer and the Primary Subscriber(s).
- Issuance of the MTNs under the MTN Programme shall be in accordance with (1) the “Participation and Operation Rules for Payments and Securities Services” issued by Malaysian Electronic Clearing Corporation Sdn Bhd (“**MyClear**” or its successors-in-title or successor in such capacity) (“**MyClear Rules**” as may be amended or substituted from time to time) and (2) the “Operational Procedures for Securities Services issued by MyClear (“**MyClear Procedures**” as may be amended and/or substituted from time to time), (collectively, “**MyClear Rules and Procedures**”); and (3) any other procedures/guidelines/rules issued by the relevant authorities from time to time (as the same may be amended and/or substituted from time to time).
- (n) *Selling Restriction, including tradability, i.e whether tradable or non-tradable* : The MTNs are tradable and transferable subject to the Selling Restrictions described below.
- Selling Restrictions in Malaysia
- The MTNs may only be issued, offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to subscribe to the MTNs and to whom the MTNs are issued would:
- 1) at the point of issuance of the MTNs fall within:
 - (i) Schedule 6 (or Section 229(1)(b)) of the Capital Markets & Services Act 2007 (“**CMSA**”) and Schedule 7 (or Section 230(1)(b)) of the CMSA; read together with
 - (ii) Schedule 9 (or Section 257(3)) of the CMSA.
 - 2) after the issuance of the MTNs fall within:
 - (i) Schedule 6 (or Section 229(1)) of CMSA; read together with
 - (ii) Schedule 9 (or Section 257(3)) of the CMSA.
- (o) *Listing Status and types of Listing, where applicable* : The MTNs may in the future be listed on Bursa Malaysia Securities Berhad under the Exempt Regime and/or any other stock exchange provided that all regulatory approvals are obtained.
- (p) *Other regulatory* : None.

*approvals
required in
relation to the
issue, offer or
invitation to
subscribe or
purchase PDS,
and whether or
not obtained*

- (q) *Conditions* : The conditions precedent to establish the MTN Programme shall be as set out below (unless waived by the Joint Lead Arrangers):
Precedent

A. Main Documentation

- 1) The transaction documents have been executed and stamped or exempted from stamp duty, as the case may be. For the purposes of this Principal Terms and Conditions, the transaction documents include the guarantee to be provided by the Guarantor.

B. Issuer

- 1) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association, of the Issuer.
- 2) Certified true copies of the latest Forms 24, 32A and 49 of the Issuer.
- 3) A certified true copy of board resolutions of the Issuer authorising, among others, the execution of the transaction documents to which it is a party.
- 4) A list of the Issuer's authorised signatories and their respective specimen signatures.
- 5) A report of the relevant company search of the Issuer.
- 6) A report of the relevant winding up search or the relevant statutory declaration of the Issuer.

C. Guarantor

- 1) The documents corresponding to those under items B(1) to B(6) (both inclusive) in respect of the Guarantor.

D. General

- 1) The approval and authorisation from the Securities Commission of Malaysia ("SC").
- 2) The MTNs have received their respective requisite ratings as stated in this Principal Terms and Conditions.
- 3) All necessary approvals or consents (if any) have been obtained for the MTN Programme and the issuance of the MTNs thereunder by the Issuer and for the issuance of the Guarantee by the Guarantor.
- 4) The Joint Lead Managers and the Joint Lead Arrangers have received from their legal counsel a favourable legal opinion in form and substance acceptable to the Joint Lead Arrangers addressed to the Joint Lead Managers, Joint Lead Arrangers and the Trustee advising with respect to,

among others, the legality, validity and enforceability of the transaction documents relating to the MTN Programme and a confirmation addressed to the Joint Lead Arrangers that all the conditions precedent have been fulfilled (except those waived).

(r) *Representations and Warranties* : 1)

Each of the Issuer and the Guarantor is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on their respective business and to own their respective assets, and has full beneficial ownership of all their respective assets (except where such failure to own is not reasonably likely to have a Material Adverse Effect).

For the purposes of this Principal Terms and Conditions, “**Material Adverse Effect**” means any material and adverse effect on the business or financial condition of the Issuer or the Guarantor (as the case may be) which is reasonably likely to materially and adversely affect the ability of the Issuer or the Guarantor (as the case may be) to perform any of their respective material obligations under the transaction documents.

- 2) The memorandum and articles of association of the Issuer and/or the Guarantor (as the case may be) incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken, and all relevant authorisations, licences, exemptions (other than endorsement of the stamp duty exemption), registrations, recording, filing, notarisation, consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect and all duty and taxes (if any) have been paid which are required (a) to authorise the Issuer and/or the Guarantor (as the case may be) to execute and deliver and perform the transactions contemplated in the transaction documents in accordance with their terms; (b) to authorise it to execute and deliver the pricing supplement (if any) and (c) to ensure the legality, validity, enforceability of the Issuer’s and the Guarantor’s (as the case may be) liabilities and obligations or the rights of the Trustee under the transaction documents or the rights of the Holders under the MTNs, save and except for anything required to be done by the Trustee or any of the Holders.

For the purposes of this Principal Terms and Conditions, pricing supplement means any pricing supplement to be issued in relation to any issue of the MTN (if applicable).

- 3) Neither the (a) execution and delivery of any of the transaction documents and the pricing supplement (if any) nor (b) the performance of any of the transactions contemplated by the transaction documents:
- (i) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule,

- regulation, licence, permit or consent by which the Issuer or the Guarantor or any of their respective assets is bound or which is applicable to the Issuer or the Guarantor or any of their respective assets, which is reasonably likely to result in a Material Adverse Effect;
- (ii) cause to be exceeded any limitation on the Issuer or the Guarantor (as the case may be) or the powers of their respective directors, whether imposed by or contained in its memorandum and articles of association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise; or
 - (iii) cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer's or the Guarantor's (as the case may be) assets, which is reasonably likely to result in a Material Adverse Effect except for any Permitted Security (as defined in item 2(t)(iii) below).
- 4) Each of the transaction documents and the pricing supplement (if any) is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Issuer or the Guarantor (as the case may be) enforceable (subject to such qualifications the parties may agree to among themselves or as may be contained in the transaction documents) in accordance with its terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally.

The Issuer and Guarantor (as the case may be) shall be deemed to represent and warrant to the Trustee for the benefit of the Holders that the representations and warranties set out in this paragraph are true and accurate in all material respects when made or deemed to be made on the date of the execution and delivery of the transaction documents and on each issue date by reference to the facts and circumstances then existing and all such representations and warranties (other than paragraphs (2)(a), (3)(a) and (4)) shall survive until the payment in full by the Issuer and Guarantor (as the case may be) of all monies covenanted to be paid under the MTN Programme and the transaction documents.

- (s) *Events of Default and enforcement event, where applicable* :
- 1) The Issuer or the Guarantor (as the case may be) fails to pay the principal of any MTNs after the same shall become due on the due date or, if so payable, on demand and such default is not remedied within seven (7) business days after the relevant due date.
 - 2) The Issuer or the Guarantor (as the case may be) fails to pay within seven (7) business days from the due date or if so payable, on demand any interest on the MTNs or such other amount due under any of the transaction

documents.

- 3) Any representation or warranty made or given by the Issuer or the Guarantor (as the case may be) under the transaction documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the MTNs and/or any of the transaction documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which is capable of being remedied, the Issuer or the Guarantor (as the case may be) does not remedy the failure within a period of thirty (30) days after the Issuer or the Guarantor (as the case may be) became aware or having been notified in writing by the Trustee of the failure whichever is the earlier.
- 4) The Issuer or the Guarantor (as the case may be) fails to observe or perform its material obligations under any of the transaction documents or the MTNs or under any written undertaking or written agreement entered into in connection therewith other than an obligation of the type referred to in paragraph (1) above, and in the case of a failure which is capable of being remedied, the Issuer or the Guarantor (as the case may be) does not remedy the failure within a period of thirty (30) days after the Issuer or the Guarantor (as the case may be) became aware or having been notified in writing by the Trustee of the failure whichever is the earlier.
- 5) Any indebtedness for borrowed moneys of the Issuer or the Guarantor (as the case may be), other than the indebtedness pursuant to the MTN Programme, becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Issuer or the Guarantor (as the case may be) is not discharged at maturity or when called and such obligation to pay or declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer or the Guarantor (as the case may be) in a court of competent jurisdiction within thirty (30) days from the date of such notification, declaration or call. For the avoidance of doubt, any indebtedness or declaration of indebtedness being due or payable or such call on the guarantee or similar obligations shall not trigger a cross-default or an event of default herein if the amount does not exceed RM500 million (or its equivalent in foreign currency).
- 6) An encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or substantial part of the business or assets of the Issuer or the Guarantor (as the case may be), or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the whole or substantial part of the business or

assets of the Issuer or the Guarantor (as the case may be) which is reasonably likely to have a Material Adverse Effect and such action is not discharged within sixty (60) days after being levied, enforced or sued out.

For the purpose of this paragraph (6), references to “substantial” shall mean, in respect of such business or assets, a book value which constitutes 15% or more of the Issuer’s or Guarantor’s (as the case may be) then consolidated net assets.

- 7) The Issuer or the Guarantor (as the case may be) fails to satisfy any judgment passed against it by any court of competent jurisdiction and such failure is reasonably likely to have a Material Adverse Effect and no appeal against such judgement or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed.
- 8) Any step is taken for the winding up, dissolution or liquidation of the Issuer or the Guarantor (as the case may be) or a resolution is passed for the winding up of the Issuer or the Guarantor (as the case may be) or a petition for winding up is presented against the Issuer or the Guarantor (as the case may be) and the Issuer or the Guarantor (as the case may be) has not taken any action in good faith to set aside such petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against the Issuer or the Guarantor (as the case may be).
- 9) The Issuer or the Guarantor (as the case may be) convenes a meeting of its creditors generally (or any class of its creditors) (other than a meeting of the Holders pursuant to the MTN Programme) to consider a proposal for or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors generally (or any class of its creditors), or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or a substantial part of its indebtedness with its creditors generally (or any class of its creditors) or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or a substantial part of its indebtedness with its creditors generally (or any class of its creditors) or any assignment for the benefit of its creditors generally (or any class 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 or the Guarantor (as the case may be) becomes or is declared to be insolvent) or where a scheme of arrangement under section 176 of the Companies Act 1965 in respect of or affecting all or a substantial part of its indebtedness has been instituted against the Issuer or the Guarantor (as the case may be).

For the purpose of this paragraph (9), references to “**substantial**” shall mean, in respect of any indebtedness, an amount of at least RM500 million (or its equivalent).

- 10) The Issuer or the Guarantor (as the case may be) is for the purpose of Section 218 of the Companies Act 1965 deemed unable to pay any of its debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts unless the neglect or failure to pay is due to a bona fide dispute, which dispute has not been resolved or discharged within six (6) months from the commencement of the dispute.
- 11) Any creditor of the Issuer or the Guarantor (as the case may be) exercises a contractual right to take over the financial management of the Issuer or the Guarantor (as the case may be) and such event is reasonably likely to have a Material Adverse Effect.
- 12) At any time any of the material provisions of the transaction documents is or becomes illegal, void, voidable or unenforceable, which is reasonably likely to have a Material Adverse Effect.
- 13) The Issuer or the Guarantor (as the case may be) repudiates any of the transaction documents or the Issuer or the Guarantor (as the case may be) does or causes to be done any act or thing evidencing an intention to repudiate any of the transaction documents.
- 14) Any of the assets, undertakings, rights or revenue of the Issuer or the Guarantor (as the case may be) are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which is reasonably likely to have a Material Adverse Effect.
- 15) Any event or events (other than events mentioned in paragraphs (1) to (14) above) has or have occurred or a situation exists which is reasonably likely to have a Material Adverse Effect on the Issuer or the Guarantor (as the case may be), and in the case of the occurrence of such event or situation which is capable of being remedied, the Issuer or the Guarantor (as the case may be) does not remedy it within a period of thirty (30) days after the Issuer or the Guarantor (as the case may be) became aware or having been notified in writing by the Trustee of the event or situation whichever is the earlier.

(t) *Covenants*

(i) *Information Covenants*

- 1) The Issuer shall provide to the Trustee at least on an annual basis, a certificate confirming that it has complied with all its obligations under the transaction documents and the terms and conditions of the MTNs and that there does not exist or had not existed, from the date the MTNs were issued or the date of the previous certificate (as the case may be), any Event of Default, and if such is not the

case, to specify the same.

- 2) Each of the Issuer and the Guarantor (unless otherwise specified) shall deliver to the Trustee the following:
 - (i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of their financial years) copies of their respective consolidated financial statements (consolidated only in respect of the Guarantor) for that financial year and which are audited (and certified without qualification in respect of the Guarantor) by a firm of independent certified public accountants;
 - (ii) in respect of the Guarantor, as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) the announcement made to Bursa Malaysia Securities Berhad which contains its interim financial statements for the first half-year of each of its financial years;
 - (iii) as soon as practicable, and to the extent permitted by (a) law and the relevant listing rules or (b) confidentiality agreements (which the Issuer and/or the Guarantor, as the case may be, shall use its reasonable endeavours to procure consents from the counterparties to the confidentiality agreements), such additional financial or other information relating to the Issuer's or the Guarantor's (as the case may be) business and its operations as the Trustee may from time to time reasonably request in order to discharge its duties and obligations as trustee under the transaction documents;
 - (iv) as soon as practicable after the receipt thereof, any notices or other documents received by the Issuer or the Guarantor (as the case may be) from their respective shareholders (acting together as a class) or its creditors which contents are reasonably likely to materially and adversely affect the interests of the Holders and which would be required to be announced by the Guarantor under the relevant listing rules; and
 - (v) as soon as practicable after the issue or publication thereof, any document dispatched by the Issuer or the Guarantor (as the case may be) to their respective shareholders (in their capacity as shareholders) in respect of a class right or its creditors (as a class) in respect of such matter which is reasonably likely to materially and adversely affect the interests of the Holders.
- 3) The Issuer shall as soon as practicable notify the Trustee of any change in its shareholders.

- 4) Each of the Issuer and the Guarantor shall promptly notify the Trustee upon becoming aware of any material adverse change in their respective condition (financial or otherwise) and of any material litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer or the Guarantor (as the case may be) before any court or tribunal or administrative agency which is reasonably likely to materially and adversely affect the ability of the Issuer or the Guarantor (as the case may be) to perform any of their respective material obligations under any of the transaction documents.
- 5) Unless the same is capable of remedy and is forthwith remedied, each of the Issuer and the Guarantor shall promptly give notice to the Trustee of any event whereby the Issuer or the Guarantor (as the case may be) is unable to fulfil or comply with any of the provisions of the transaction documents, of anything which will render untrue or incorrect in any respect any of the representations and warranties made by or on behalf of the Issuer or the Guarantor at any time at which such representations and warranties are given or deemed to be given, or of the occurrence of any Event of Default or any event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the relevant transaction document would constitute an Event of Default ("**Potential Event of Default**") forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default.

(ii) *Positive Covenants*

- : 1) Each of the Issuer and the Guarantor shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is necessary to enable it to own their respective assets, to carry on their respective business, to enter into or perform their respective obligations under the transaction documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the Guarantor (as the case may be) or of the priority or rights of the Holders under the transaction documents (save for anything required to be done by the Trustee or any of the Holders), which authorisations, consents, rights, licences, approvals and permits, if not obtained or kept in full force and effect, is reasonably likely to have a Material Adverse Effect.
- 2) Each of the Issuer and the Guarantor shall at all times on reasonable request of the Trustee execute all such further

documents (in such form and substance to be mutually agreed) and do all such further acts reasonably necessary at any time or times solely to give full effect to the terms and conditions of the transaction documents.

- 3) Each of the Issuer and the Guarantor shall exercise reasonable diligence in carrying out their respective business and affairs.
- 4) Each of the Issuer and the Guarantor shall prepare its financial statements on a basis consistently applied in accordance with generally accepted accounting principles in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer or the Guarantor (as the case may be) for the period to which the financial statements are made up.
- 5) Each of the Issuer and the Guarantor shall promptly comply with all applicable laws in relation to the transaction documents including the provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by SC from time to time.
- 6) The Issuer shall ensure that the liabilities and obligations of the Issuer under the MTNs constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the transaction documents.
- 7) The Guarantor shall ensure that the liabilities and obligations of the Guarantor under the transaction documents constitute direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank pari passu with the other present and future unsecured and unsubordinated obligations of the Guarantor, subject to those preferred by law.
- 8) Each of the Issuer and the Guarantor shall comply at all times with the relevant provisions of the trust deed and the terms and conditions of the MTNs which are binding upon them at all times.

(iii) Negative Covenants

- 1) Each of the Issuer and the Guarantor shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing in relation to any indebtedness, but excluding Permitted Security.

“Permitted Security” in respect of the Issuer and/or the Guarantor means:-

- (1) liens arising by operation of law or liens, netting or set-off arrangements entered into or created in the

ordinary course of business or pursuant to any hedging transaction entered into for the purpose of hedging any risk or interest rate or currency management operations;

- (2) pledges or liens created in relation to documentary credits, trust receipts and bankers acceptances opened in the ordinary course of business;
- (3) leasing arrangements and/or hire purchase transactions in the ordinary course of business;
- (4) security interest arising under retention of title arrangements entered into in the ordinary course of business; or
- (5) any security securing indebtedness of an aggregate outstanding principal amount of which does not exceed 10% of the Guarantor's then consolidated net assets ("**Consolidated Net Assets**") (or its equivalent in another currency or currencies), based on the Guarantor's latest annual audited consolidated financial statements).

For the purpose of this Principal Terms and Conditions, Consolidated Net Assets shall mean the total equity less minority interests.

- 2) The Issuer shall not dispose of any assets in excess of RM100,000 in any financial year, and the Guarantor shall not dispose of 10% or more of its interest in any of the Principal Subsidiaries and where such disposal is reasonably likely to have a Material Adverse Effect.

"**Principal Subsidiaries**" in this Principal Terms and Conditions shall mean any subsidiary of the Guarantor involved in the leisure and hospitality industry in Malaysia and whose then audited Consolidated Net Assets is 15% or more of the Guarantor's then audited Consolidated Net Assets.

- 3) Each of the Issuer or the Guarantor shall not add, delete, amend or substitute their respective Memorandum or Articles of Association in a manner inconsistent with the provisions of the transaction documents unless required by law or the relevant listing requirements.
- 4) Each of the Issuer or the Guarantor shall not reduce their authorised or paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto, if the reduction would cause the rating agency to either: (i) downgrade the rating of the MTNs or (ii) place the MTNs on to the negative watch for more than two (2) months, (save and except for any decrease in its issued share capital resulting from purchases of its own shares pursuant to Section 67A of the Companies Act 1965 or such equivalent section).
- 5) The Issuer shall not use the proceeds of the MTN Programme except for the purposes set out in this

Principal Terms and Conditions.

- 6) The Issuer shall not lend any money to any party other than to the Issuer's directors, officers or employees as part of their terms of employment or to the Guarantor or any of the Guarantor's subsidiaries.
- 7) The Issuer shall not carry on any business activity whatsoever other than in connection with the MTN Programme (which shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the MTNs to the Guarantor and/or any of the Guarantor's subsidiaries and/or subscribing for any securities issued by the Guarantor and/or any of the Guarantor's subsidiaries and/or the Issuer obtaining any loans and advances from the Guarantor and/or any of the Guarantor's subsidiaries and/or issuing any securities to the Guarantor and/or any of the Guarantor's subsidiaries in any form whatsoever) and/or any fund raising exercise in connection with the Group.

(u) *Provisions on
Buy-Back and
Early
Redemption of
PDS*

(i) *Redemption on Maturity* : Unless previously redeemed or purchased and cancelled, the MTNs will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates.

(ii) *Early Redemption* The Issuer may, at its option, redeem in whole or in part (on a pro-rata basis), of a particular tranche(s) of the MTNs before their respective maturity dates at the Early Redemption Amount (as defined in item (iii) below), plus accrued interest to be calculated from and including the preceding coupon payment date until and excluding the date of early redemption ("**Early Redemption Date**") based on a 365 days year.

The Issuer must issue a notice ("**Early Redemption Notice**") to the Facility Agent not less than fourteen (14) days before the Early Redemption Date notifying the Facility Agent of the Early Redemption Date and the particulars of the tranche(s) of MTNs that the Issuer wishes to redeem including the amount of such tranche to be redeemed.

(iii) *Early Redemption Amount* : The Early Redemption Amount shall be the higher of (i) the nominal value of such MTNs or (ii) the Early Redemption Price ("**ERP**").

The ERP shall be calculated by the Facility Agent based on the following formula and the calculation of the Facility Agent shall be final and binding:

$$\text{ERP} = \frac{\text{NV} \times \text{ERF}}{100}$$

Where:

NV means the aggregate nominal value of the MTNs to be redeemed; and

ERF means the early redemption factor per RM100 (rounded to 2 decimal places) subject to a minimum of RM100, calculated as follows:

$$ERF = \left[\frac{100}{\left[1 + (MktYTM / 2) \right]^{N-1+(T/E)}} \right] + \left[\sum_{k=1}^N \frac{[100 \times (PPR / 2)]}{\left[1 + (MktYTM / 2) \right]^{k-1+(T/E)}} \right] - \left[\frac{S}{365} \times PPR \times 100 \right]$$

N = Number of coupon payment date(s) between the original maturity date and the Early Redemption Date

T = Number of days from the Early Redemption Date to the coupon payment date immediately following the Early Redemption Date

E = Number of days between the coupon payment date immediately preceding the Early Redemption Date to the next coupon payment date immediately following the Early Redemption Date

Mkt YTM = Reference MGS plus Spread

S = Number of days from the coupon payment date immediately preceding the Early Redemption Date to the Early Redemption Date

For the purposes of calculating the ERF, the following variables shall be used:

- 1) **“Reference MGS”** shall be the Malaysian Government Securities rate for the tenor which is equal to the remaining tenor of the MTNs and shall be determined from:
 - (i) the latest consolidated Government Securities Rates (Conventional) published by BNM daily, two (2) business days prior to the date of the Early Redemption Notice; or
 - (ii) if (i) above is unavailable, the arithmetic average of the mid-rates quoted by any five (5) principal dealers, two (2) business days prior to the date of the Early Redemption Notice;

PROVIDED THAT if the tenor of the tranche is not an integer or is not a readily quoted tenor, the Reference MGS shall be interpolated on a linear basis using the rates derived from (i) or (ii) above.

- 2) **“PPR”** means the coupon rate for the MTNs expressed as a percentage per annum.
- 3) **“Spread”** shall be:

Remaining tenor (years) of the MTNs on the Early Redemption Date	Spread
0 – 5 (inclusive)	0.30%
> 5	0.50%

- (iv) *Mandatory Redemption* : Save and except for cessation resulting from disposals permitted or provided in paragraph (2) of the Negative Covenants above, upon the Guarantor or any of its Principal Subsidiaries ceasing to carry on all or a substantial part of its business which is reasonably likely to have a Material Adverse Effect, the Issuer shall redeem all of the MTNs at the Early Redemption Amount plus accrued interest to be calculated from and including the preceding coupon payment date until and excluding the date of mandatory redemption seven (7) business days from the occurrence of such cessation event (“**Mandatory Redemption Date**”).
- Reference to "substantial part of its business" in this paragraph shall mean an Adjusted Earnings before interest, taxes, depreciation and amortisation (“**Adjusted EBITDA**”) contribution of 25% or more of the Guarantor's or relevant Principal Subsidiaries' (as the case may be) then audited consolidated Adjusted EBITDA.
- (v) *Repurchase and Cancellation* : The Issuer or its subsidiaries or its agents may at any time purchase the MTNs at any price in the open market or by private treaty but these repurchased MTNs shall be cancelled and cannot be reissued.
- (v) *Other Principal Terms and Conditions for the proposal* :
- (i) *Issue Price (RM)* : The MTNs are to be issued at par or at a discount.
- (ii) *Form and Denomination* : Each tranche of the MTNs shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the MTNs shall be RM100,000 or in multiples of RM100,000 at the time of issuance.
- (iii) *Issue* : The MTNs may be issued in multiples of RM1,000,000, but subject to the MyClear Rules and other standard conditions including, without limitation, the following:
- 1) a minimum issue size of RM10 million for each issue; and
 - 2) the issue notice shall be given to the Facility Agent at least seven (7) business days (for the first issue) or five (5) business days (for subsequent issues) prior to and excluding the date of proposed issue; and
 - 3) the rating for the MTNs are AAA on the first issuance and for subsequent issues, at least AA3 on their respective

issue dates; and

4) any amount redeemed may be re-issued.

- (iv) *Guarantee* : There is an unconditional and irrevocable guarantee by the Guarantor to guarantee all the obligations of the Issuer under or in connection with the transaction documents in respect of the MTN Programme.
- (v) *Status* : The MTNs shall constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the transaction documents.
- The Guarantee shall constitute direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of the Guarantor, subject to those preferred by law.
- (vi) *Default Interest* : Interest on overdue amounts shall be payable at 1% per annum plus the prescribed coupon rate of the relevant MTNs from and including the relevant due date to but excluding the date of actual payment, calculated based on the actual number of days elapsed and a year of 365 days.
- (vii) *Taxation* : All payments by the Issuer and the Guarantor shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. The Issuer and the Guarantor shall not be required to gross up in connection with withholding or deductions.
- (viii) *Governing Laws* : Laws of Malaysia.
- (ix) *Jurisdiction* : The Issuer and the Guarantor shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.
- (x) *Other Conditions* : The MTNs shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and BNM having jurisdiction over matters pertaining to the MTNs, and the MyClear Rules and Procedures.