

- PTC
- INTEREST/COUPON (%)

PREMIUM COMMERCE BERHAD
(Co No 648636-X)

**ASSET-BACKED MEDIUM TERM NOTES
ISSUANCE PROGRAMME OF UP TO
NOMINAL VALUE RM600 MILLION**

PRINCIPAL TERMS AND CONDITIONS

9 May 2005

Glossary Of Definitions And Abbreviations

The following words and expressions shall have the following meanings:

Act	Companies Act, 1965, as amended from time to time and any re-enactment thereof;
Administration Agreement	the agreement entered or to be entered into between the Administrator, the Issuer and the Notes Trustee wherein the Administrator agrees to perform and provide services necessary and appropriate to the management of the asset-backed securitisation programme which involves the purchase of the Hire Purchase Receivables from the Originator from time to time, the issue of the Notes to finance such purchases and all other activities incidental thereto;
Administrator	SPV Corporate Services Sdn Bhd (Company No. 618251-U);
Agency Agreement	the agreement entered or to be entered into between the Issuer, the Notes Trustee, Lead Arranger, Lead Manager, Facility Agent and Issue Agent setting out the terms and conditions upon which each of the Lead Arranger, Lead Manager, Facility Agent and Issue Agent agrees to act;
BAFIA	the Banking and Financial Institutions Act, 1989 and regulations made thereunder, as amended or substituted from time to time;
BNM	Bank Negara Malaysia;
Bursa Securities	Bursa Malaysia Securities Berhad;
Business Day	a day other than Saturday, Sunday and a public holiday on which financial institutions licensed under BAFIA or IBA are open for business in Kuala Lumpur;
CCM	Companies Commission of Malaysia;
CIMB or Lead Arranger	Commerce International Merchant Bankers Berhad (Company No.: 18417-M);
Class A Notes	the senior medium term asset-backed notes to be issued by the Issuer;
Class B Notes	the medium term asset-backed notes to be issued by the Issuer which are junior to the Class A Notes;
Class C Notes	the medium term asset-backed notes to be issued by the Issuer which are junior to the Class A Notes and the Class B Notes;
Code of Conduct or Code	collectively the IPBM Code, the RENTAS Rules and the FAST Rules;
Collections	see Section (C)(ix);
Collection Account	see Section (E)(i);
Collections Day	a day on which Collections are received by the Servicer;
Commission	see Section (C)(xii);

Contract	the hire purchase agreement between the Originator, the Hirer and the guarantor, if any, pursuant to which a Hire Purchase Receivable arises, which Contract is governed by the HP Act;
Coupon	the interest payable in respect of the Notes from time to time under the MTN Programme based on the nominal value of the Notes;
Coupon Payment Date	the date for payment of Coupons on the Notes in accordance with the terms of the Notes;
Daily Report	see Section (C)(x);
Debenture	the agreement to be executed by the Issuer in favour of the Notes Security Trustee for the benefit of the holders of the Class A Notes wherein 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 relevant Notes Series 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 the purchase of which is to be funded by the relevant Class A Notes;
Deed of Assignment	the agreement to be executed by the Issuer in favour of the Notes Security Trustee to hold for the benefit of the holders of the Class A Notes wherein the Issuer will assign to the Notes Security Trustee by way of charge inter alia all the Issuer's rights, title and interest in and to the Hire Purchase Receivables comprising the relevant Hire Purchase Receivables Series and all its present and future rights in and to the relevant Purchase Agreement Series Supplemental, the Liquidity Facility Agreement and the Interest Rate Swap Agreement (where applicable);
Depository and Paying Agency Agreement	the agreement entered or to be entered into between the Issuer, Notes Trustee, BNM and the Lead Arranger containing inter alia provisions dealing with the appointment of BNM as the central depository and the paying agent and the roles and obligations of the respective parties;
Derived Amounts	see Section (E)(iv);
Early Amortisation Events	see Section (A)(iii);
Eligibility Criteria	see Section (B)(iii);
Eligible Person	Persons whom the offer or invitation to subscribe or purchase the Notes or whom the Notes are issued would fall within: (i) at the point of issuance of the Notes, Schedule 2 or Section 38(1)(b) and Schedule 3 or Section 39(1)(b) and Schedule 5 or Section 66(3) of the SCA; and (ii) after the issuance of the Notes, Schedule 2 or Section 38(1)(b) and Schedule 5 or Section 66(3) of the SCA;

Events of Default	see item (v) under the heading “Principal Terms and Conditions of the MTN Programme”;
Facility Agent	Commerce International Merchant Bankers Berhad (Company No.: 18417-M);
FAST	Fully Automated System for Issuing/Tendering;
FAST Rules	Rules on FAST issued by BNM as amended, modified or substituted from time to time;
Financial Institution	a financial institution licensed under the BAFIA or the IBA;
Hirer	the hirer under the Contract;
Hire Purchase Receivables	see Section (B)(i);
Hire Purchase Receivables Series	see Section (B)(ii);
Hirer	any party who is under an obligation to make payment in respect of a Hire Purchase Receivable to the Originator under a Contract;
HP Act	the Hire Purchase Act 1967 and regulations made thereunder, as amended or substituted from time to time;
IBA	the Islamic Banking Act 1983 and regulations made thereunder, as amended or substituted from time to time;
Initial Investment Amount	see Section (C)(iv);
Interest Rate Swap Agreement	the interest rate swap agreement to be entered into between the Issuer and the IRS Counterparty in respect of an IRS which shall comprise the ISDA Agreement;
Investment Amount	see Section (C)(v);
IPBM Code	Code of Conduct and Market Practices for the Malaysian Corporate Bond Market issued by the Institut Peniaga Bon Malaysia and approved by BNM as amended, varied or supplemented from time to time by the aforesaid Institute and approved by BNM;
IRS Counterparty	the counterparty to an IRS which shall be determined upon each issuance of the Notes and which is acceptable to the Rating Agency;
IRS	in relation to a Hire Purchase Receivables Series, any interest rate swap arrangement entered into by the Issuer with the IRS Counterparty pursuant to which the Issuer will hedge its exposure to certain interest rate risks;
ISDA Agreement	the 2002 International Swap Dealers Association Master Agreement, including all schedules, annexes and confirmations thereto, as amended from time to time and/or such other agreement acceptable to the Rating Agency;

Issue Agent	Commerce International Merchant Bankers Berhad (Company No.: 18417-M);
Issue Date	the issue date of the Notes;
Issue Documents	the Notes Facility Agreement, the Trust Deed, the Agency Agreement, the Depository and Paying Agency Agreement and the Security Documents and all such other documents in connection with the issue of the Notes;
Issuer or Purchaser or PCB	Premium Commerce Berhad (Company No. 648636-X);
Law	any law (including common or customary law), constitution, statute, legislation, ordinance, treaty, regulation, rule, guidelines, regulations, directives, practice notes, order, injunction, writ, decree, judgement or award of any Official Body;
Lead Manager	Commerce International Merchant Bankers Berhad (Company No.: 18417-M);
Liquidity Facility	in relation to a Notes Series, the revolving overdraft facility granted to the Issuer by the Liquidity Facility Provider for the purpose of meeting liquidity requirements;
Liquidity Facility Agreement	the agreement to be entered into between the Liquidity Facility Provider as lender and the Issuer as borrower or letter of offer issued by the Liquidity Facility Provider to the Issuer and accepted by the Issuer in respect of the Liquidity Facility;
Liquidity Facility Provider	a Financial Institution to be determined upon each issuance of the Notes and which has a minimum rating of AA3/P1 from the Rating Agency;
Master Assignment	the agreement executed or to be executed by the Issuer in favour of the Notes Security Trustee to hold for the benefit of the holders of the Class A Notes wherein the Issuer will assign in favour of the Notes Security Trustee as security trustee for the holders of the Class A Notes inter alia all its rights, title and interest in the Sale and Purchase Agreement, the Servicing Agreement, the Administration Agreement and the Master Definitions Schedule as security for the payment of all amounts due and owing to the holders of the Class A Notes by the Issuer under the Trust Deed.
Master Definitions Schedule	the agreement entered or to be entered into between the Issuer and all the other transaction parties setting out the common definitions used in the Relevant Documents and the principles of interpretation to be applied in construing the meaning of the terms and expressions used in the Relevant Documents.
Material Adverse Effect	any event or condition which would in the reasonable opinion of the Notes Trustee have a material adverse effect on (a) the collectibility of the Hire Purchase Receivables, (b) the

	condition (financial or otherwise), businesses or properties of the Originator or the Servicer, (c) the ability of the Originator/the Servicer or the Issuer to perform their respective obligations under the Relevant Documents to which it is a party or (d) the legality, validity or enforceability of any of the Relevant Documents against the Originator/the Servicer or the Issuer or the rights and remedies of any person under or with respect to any of the Relevant Documents;
Monthly Report	see Section (C)(xi);
MTN Programme	the programme for the issue of the Notes of up to the Programme Limit subject to the total principal amount of the Notes outstanding at any one time not exceeding the Programme Limit which shall have a tenor not exceeding 12 years from the date of execution of the Relevant Documents;
Net Monthly Default Ratio	the change during any given month in the outstanding principal balance of the Hire Purchase Receivables Series that are three (3) or more months past due, net of recoveries at the beginning of that month, divided by the outstanding principal balance of the Hire Purchase Receivables Series at the beginning of that month;
Net Tangible Assets	in relation to a company, the aggregate of its equity share capital and reserves after deducting goodwill and other intangibles;
Noteholders	the holders of the Notes from time to time;
Notes or MTN	the Class A Notes, the Class B Notes and the Class C Notes and where the context requires, any one of them;
Notes Security Trustee	Mayban Trustees Berhad (Company No. 5004-P);
Notes Series	the series of Notes to be issued under the MTN Programme from time to time;
Notes Series 2005-A	the first series of Notes to be issued under the MTN Programme;
Notes Facility Agreement	the agreement entered or to be entered into between the Issuer, Notes Trustee, Facility Agent, Lead Arranger, Lead Manager and Issue Agent laying down, amongst others, the terms and conditions for the grant of the facility for the issue of the Notes under the MTN Programme;
Notes Trustee	Mayban Trustees Berhad (Company No. 5004-P);
Notification Events	see Section (C)(viii);
Obligor	the Hirer or guarantor, as the case may be, under the Contract;
Official Bodies	any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political

	subdivision, or any court or arbitrator having or purporting to have jurisdiction over a person and any reference to “Official Body” means any one of them;
Originator or TCSM	Tan Chong & Sons Motor Company Sdn Bhd (Company No. 3377-D);
Payment Date	see Section (E)(vi);
PDS	private debt securities;
PDS Guidelines	Guidelines on the Offering of Private Debt Securities issued by the SC;
Permitted Investments	see Section (E)(ii);
Programme Limit	Ringgit Malaysia Six Hundred Million (RM600,000,000.00);
Proposal	the proposed issuance of redeemable asset-backed Notes of up to RM600 million nominal value under the MTN Programme by the Issuer pursuant to an asset securitisation transaction as described in this Information Memorandum;
Purchase Agreement Series Supplemental	the agreement to be entered into between the Originator, the Issuer 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 a Hire Purchase Receivables Series as and from the Series Sale Date;
RAM	Rating Agency Malaysia Berhad (Company No. 208095-U)
Rating Agency	RAM or such other rating agency recognised by Bank Negara Malaysia or the Securities Commission and approved by the Notes Trustee;
Relevant Documents	the Transaction Documents and the Issue Documents;
RENTAS	the scripless book entry securities trading and funds transfer system known as Real Time Electronic Transfer of Funds and Securities System, maintained and operated by BNM to inter alia, manage all payment transactions in respect of scripless securities as varied, upgraded or substituted from time to time by BNM;
RENTAS Rules	Rules on the Scripless Securities under the Real Time Electronic Transfer of Funds and Securities (RENTAS) System 2001 as amended, modified or substituted from time to time;
Sale and Purchase Agreement	the agreement entered or to be entered into between the Originator, the Issuer and the Notes Trustee wherein the Originator agrees from time to time to sell and assign absolutely to the Issuer and the Issuer agrees from time to time to purchase all of the Originator’s rights, title and interest in and to the relevant Hire Purchase Receivables together with any related security and insurance, including any proceeds from recoveries, fees and charges thereon;

SC	Securities Commission;
SCA	the Securities Commission Act 1993 and regulations made thereunder, as amended from time to time;
Scheduled Principal Balance	in respect of a Notes Series, on each Payment Date where no Early Amortisation Event or Event of Default has occurred, the principal balance to which each tranche of Class A Notes comprised in such Notes Series will be amortised prior to applying any Derived Amounts towards the Commission payable to the Servicer as described in the Trust Deed;
Secured Property	all of the property, assets and rights of the Issuer or any other person which is or is to be assigned, transferred, pledged, mortgaged or charged to, or held by, or otherwise made subject to any other Security Interest in favour of, the Notes Trustee for the benefit of the holders of the Class A Notes to be held upon the terms of the Security Documents as security for the payment of all amounts due and payable or which may become due and payable by the Issuer under the Class A Notes or otherwise outstanding under the Security Documents;
Security Documents	the Debenture, Master Assignment and Deeds of Assignment;
Security Interest	any mortgage, charge, pledge, lien, right of set off, assignment, hypothecation, trust arrangement or other charge or encumbrance and any deferred purchase, title, retention, leasing, sale-and-repurchase or any security interest whatsoever, howsoever created or arising other than liens and rights of set-off arising in the ordinary course of business;
Series Cut-Off Date	for each Hire Purchase Receivables Series, the date on which the Originator shall identify a pool of Hire Purchase Receivables to be tentatively included in such Hire Purchase Receivables Series and to be sold to the Issuer as specified in the relevant Purchase Agreement Series Supplemental;
Series Discount Rate	the rate as agreed by TCSM and the Issuer to be used in the calculation of the relevant Series Purchase Price, as set out in the Purchase Agreement Series Supplemental;
Series Purchase Price	the purchase price payable in respect of a Hire Purchase Receivables Series as set out in the Purchase Agreement Series Supplemental;
Series Sale Date	the date stipulated in the relevant Purchase Agreement Series Supplemental which shall coincide with the Issue Date of the Notes Series issued to raise funds to purchase the Hire Purchase Receivables Series and which shall not fall after the 60 th day from the Series Cut-Off Date;
Series Target Level	see definition of "Target Level" in Section (E)(i);

Servicer	Tan Chong & Sons Motor Company Sdn Bhd (Company No. 3377-D) or where relevant, any substitute servicer;
Servicing Agreement	the agreement entered or to be entered into between the Servicer, Issuer and Notes Trustee wherein the Servicer is appointed to service, manage and administer the Hire Purchase Receivables and to collect the proceeds thereof;
Share Trustee	Malaysian Trustees Berhad (Company No. 21666-V);
Special Resolution	in respect of a class of Notes, a resolution passed by the holders of the Class A Notes or the holders of the Class B Notes or the holders of the Class C Notes, as the case may be, in accordance with the provisions of the Trust Deed;
SPV	special purpose vehicle;
Termination Events	see Section (C)(xiii);
Transaction Documents	the Sale and Purchase Agreement, each Purchase Agreement Series Supplemental, each Liquidity Facility Agreement, the Servicing Agreement, each Interest Rate Swap Agreement (if any), the Administration Agreement, the Master Definitions Schedule and all other ancillary documents; and
Trust Deed	the agreement entered or to be entered into between the Issuer, Notes Trustee and Notes Security Trustee wherein the Notes are constituted subject to the terms and conditions contained in the Trust Deed and the Notes Security Trustee shall hold the benefit of the Security Documents and all amounts received by it from the Issuer in trust for the holders of the Class A Notes.

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PRINCIPAL TERMS AND CONDITIONS OF THE MTN PROGRAMME

The information set out in this term sheet is qualified in its entirety by, and must be read in conjunction with, the further detailed information appearing in the Information Memorandum dated 9 May 2005.

(a) Names of parties involved in the proposed transaction (where applicable)

- | | | |
|---|---|--|
| (i) <i>Principal
Adviser/Lead
Arranger</i> | : | CIMB |
| (ii) <i>Arranger(s)</i> | : | Not applicable |
| (iii) <i>Valuers</i> | : | Not applicable |
| (iv) <i>Solicitors</i> | : | Skrine |
| (v) <i>Financial
Adviser</i> | : | Not applicable |
| (vi) <i>Technical
Adviser</i> | : | Not applicable |
| (vii) <i>Guarantor</i> | : | Not applicable |
| (viii) <i>Notes Trustee</i> | : | Mayban Trustees Berhad (Company No. 5004-P) ("Mayban") |
| (ix) <i>Facility Agent</i> | : | CIMB |
| (x) <i>Primary
Subscriber(s)
and amount
subscribed
(where
applicable)</i> | : | To be determined at the point of issuance of the relevant MTNs if made via bought deal mode of issue |
| (xi) <i>Underwriter(s)
and amount
underwritten</i> | : | To be determined at point of issuance of the relevant MTNs if underwriting is required |
| (xii) <i>Central
Depository</i> | : | BNM |
| (xiii) <i>Paying Agent</i> | : | BNM |
| (xiv) <i>Reporting
Accountants</i> | : | KPMG |
| (xv) <i>Others</i> | | |
| • <i>Lead
Manager</i> | : | CIMB |
| • <i>Servicer</i> | : | TCSM |
| • <i>Substitute
Servicer</i> | : | The Servicing Agreement will provide for the appointment of a substitute servicer (which is |

- acceptable to the Notes Trustee and the Rating Agency) if the Servicer resigns or is removed.
- *Administrator* : SPV Corporate Services Sdn Bhd (Company No. 618251-U), appointed to provide company secretarial services to and administers the statutory duties of the Issuer, including the filing of the relevant statutory returns with the regulatory authorities and to act on any other matters as may be instructed by the Notes Trustee from time to time.
 - *Notes Security Trustee* : Mayban
 - *Share Trustee* : Malaysian Trustees Berhad (Company No. 21666-V), which holds the entire issued share capital of the Issuer under a discretionary trust for the benefit of certain Malaysian entities including Malaysian charities.
 - *Tax Adviser* : KPMG Tax Services Sdn Bhd
 - *Swap Counterparty* : To be determined upon each issuance of MTNs and acceptable to RAM.
 - *Liquidity Facility Provider* : To be determined upon each issuance of MTNs and acceptable to RAM.
For Notes Series 2005-A, a Financial Institution with a minimum credit rating of AA3/P1 by RAM or a Financial Institution acceptable to RAM.
- (b) *Facility Description* : A MTN Programme comprising Class A Notes, Class B Notes and Class C Notes.
- (c) *Issue Size (RM)* : The outstanding nominal value of MTNs issued under the MTN Programme shall not exceed RM600 million at any time. For each series of Notes issued ("Notes Series"), the amount of Class B Notes and Class C Notes will be equal to the difference between the proceeds required to purchase the relevant Hire Purchase Receivables Series and fund any related issuance costs and the issuance proceeds of the Class A Notes.
- (d) *Issue price (RM)* : The MTNs, including the Class A Notes, Class B Notes and Class C Notes, may be issued at par or at a discount.

- (e) *Tenor of the facility/issue* : Programme:
Twelve (12) years from the date of the Issue Documents
Each Notes Series:
Exceeding one (1) year to seven (7) years as the Issuer may select, provided that the Class A Notes, Class B Notes and Class C Notes mature prior to the expiry of the MTN Programme.
Final Redemption:
Unless previously redeemed or cancelled, the Class A Notes, Class B Notes and Class C Notes will be redeemed by the Issuer at one hundred percent (100%) of its nominal value together with interest accrued to the date of redemption on their respective Maturity Dates.
Failure to repay principal in full by the Maturity Date will constitute an Event of Default. However, principal may be repaid prior to the Maturity Date without penalty.
(Please see the paragraph on "Collection Account", Section (E) of this term sheet).
- (f) *Interest/Coupon (%) (please specify)* : The Coupon rates for each series of MTNs shall be determined and mutually agreed between the Issuer and the Lead Manager at the time of issue.
Default Interest:
1.0% per annum above the base lending rate of Malayan Banking Berhad on the amount unpaid from and including the relevant due date up to but excluding the date of actual payment, calculated based on the actual number of days elapsed and a year of 365 days.
- (g) *Interest/Coupon Payment frequency* : Quarterly payment from the relevant issue date of each Notes Series.
- (h) *Interest/Coupon Payment basis* : The coupon will be calculated on the basis of a year of 365 days and the actual number of days elapsed (actual/365 days).
- (i) *Yield to Maturity (%)* : To be determined upon each issuance of MTNs.
- (j) *Security/Collateral (if any)* : The security for the Class A Notes will comprise the following:
(i) assignment of all the Issuer's rights, title and benefit and interest in, to and under the Purchase Agreement, the Administration Agreement and the

Servicing Agreement in respect of the entire Class A Notes and any payments or amounts due from time to time to the Issuer under the entire Class A Notes (the “Master Assignment”);

- (ii) assignments to the Notes Security Trustee of all of the Issuer’s rights, title, benefit and interest in, to and under the relevant Transaction Documents in respect of each Notes Series and any payments or amounts due from time to time to the Issuer under the relevant Hire Purchase Receivables Series as security for such Notes Series;
- (iii) debentures creating first fixed charges over the relevant Hire Purchase Receivables Series as security for such Notes Series;

and such other security as advised by the solicitors of the Lead Manager and Lead Arranger.

Each of the debentures referred to in subparagraph (ii) above will contain a provision entitling the Notes Security Trustee to appoint a receiver and manager in order to enforce the provisions of the said debentures upon the occurrence of an event of default under the Trust Deed.

The Class B Notes and Class C Notes will be unsecured subordinated obligations of the Issuer.

Recourse against the Issuer in relation to its obligations under each series of the Notes will be limited to the collections from the relevant Hire Purchase Receivables Series pertaining to the said Notes Series and any assets related thereto and derived therefrom. The holders of the Notes will have no recourse to the Originator or the Issuer’s other assets.

- (k) *Details on utilisation of proceeds* : The issue proceeds from the Class A Notes, Class B Notes and Class C Notes shall be utilised by the Issuer on each relevant Issue Date as follows:
- (i) an amount sufficient to meet the initial fees, costs and expenses incurred or to be incurred by the Issuer in connection with the relevant Notes Series; and

- (ii) to fund the acquisition of the Hire Purchase Receivables meeting certain Eligibility Criteria (as defined in Section (B) of this term sheet) by the Issuer from the Originator.

Amounts received by the Originator will be used for working capital by the Originator and its affiliates as and when required.

- (l) *Sinking fund (if any)* : Not applicable.
- (m) *Rating*
- *Credit rating assigned (Please specify if this is an indicative rating)* : The indicative rating for Series 2005-A are as follows:
 - Class A Notes: AAA;
 - Class B Notes: A2;
 - Class C Notes: Unrated.
 - *Name of Rating Agency* : RAM.
- (n) *Form and Denomination* : The MTNs shall be issued in accordance with (1) IPBM Code and (2) the RENTAS Rules and (3) the FAST Rules. The RENTAS Rules shall prevail to the extent of any inconsistency between the RENTAS Rules and the IPBM Code.
- Each tranche of the MTNs shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer certificates only in certain limited circumstances. The denomination of the Class A Notes shall be RM1,000,000 or in multiples of RM1,000,000 at the time of issuance. The denomination of the Class B Notes shall be RM250,000 or multiples of RM250,000 at the time of issuance. The denomination of the Class C Notes shall be RM250,000 or multiples of RM250,000 at the time of issuance.
- (o) *Mode of Issue* : The Notes may be issued on private placement on a best efforts basis or book running on a best efforts basis or on a bought deal basis subject to terms and conditions to be agreed between the Issuer and the Lead Manager.
- (p) *Selling Restrictions* : The Class A Notes, Class B Notes and Class C Notes may not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to Eligible Persons.

The Class A Notes are transferable subject to the selling restrictions set out in the preceding paragraph.

The Class B Notes are transferable subject to the selling restrictions set out in the preceding paragraph.

The Class C Notes are not transferable.

The Originator and/or its wholly-owned subsidiary and/or a wholly-owned subsidiary of TCMH may subscribe for the Class B Notes and/or Class C Notes.

- (q) *Listing Status* : The Class A Notes, Class B Notes and Class C Notes will not be listed or quoted on the Bursa Securities or any other stock exchange.
- (r) *Minimum level of subscription (RM or %)* : The minimum level of subscription for each issue of Class A Notes, Class B Notes and Class C Notes under the MTN Programme shall be 100% of the size of a particular issue.
- Issuance*
- The MTNs may be issued in multiples of RM1,000,000 for the Class A Notes, RM250,000 for both the Class B Notes and Class C Notes but subject to the FAST Rules and other standard conditions including, without limitation, the following:
- (i) The minimum size of Notes (the Class A Notes, Class B Notes and Class C Notes) to be issued shall not be less than RM10.0 million;
 - (ii) The issue notice shall be given to the Facility Agent at least eight (8) Business Days (for the first issue) or 6 Business Days (for subsequent issues) prior to and excluding the date of proposed issue;
 - (iii) The Class A Notes are rated at least AAA or its equivalent; and
 - (iv) Any amount redeemed may be re-issued within the Availability Period subject to the MTN Programme limit.

- (s) *Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)* : Letter from BNM dated 7 May 2004 acknowledging, for the purpose of Section 19(1) of the Banking and Financial Institutions Act 1989 that the Issuer has complied with the requirements of Section 21(1) of the Banking and Financial Institutions Act 1989 in respect of its carrying on of a “scheduled business” in connection with the acquisition by the Issuer of the Hire Purchase Receivables.
- (t) *Conditions Precedent* : To include but not limited to the following (all have to be in form and substance acceptable to the Lead Manager):
- (A) Execution of Documents
 - (i) The Transaction Documents, the Issue Documents and Security Documents have been signed and stamped or endorsed as exempted from stamp duty under the relevant legislation.
 - (B) The Issuer
 - (i) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association, Forms 9, 20, 24 and 49 of the Issuer;
 - (ii) A certified true copy of a board resolution of the Issuer authorising, among others, the execution of the Transaction Documents, the Issue Documents and Security Documents;
 - (iii) A list of the Issuer’s authorised signatories and their respective specimen signatures;
 - (iv) A report of the companies search conducted at the CCM confirming that there are no charges that have been registered in the CCM against the Issuer’s assets;
 - (v) A report of the winding up search conducted at the office of the Director-General of Insolvency confirming that the Issuer has not been wound up or the relevant statutory declaration of the Issuer; and

- (vi) Reports of searches conducted at other relevant public registries, if any.

(C) General

- (i) The approvals from the SC and any other relevant authorities;
- (ii) The Notes to be issued under the MTN Programme shall have received the relevant rating(s) as stated in this term sheet or alternatively, in relation to Class C Notes in a Notes Series, written confirmation from the persons to whom such Class C Notes are to be issued that they do not require such a rating;
- (iii) A legal opinion from solicitors acting for the Lead Arranger and Lead Manager addressed to the Lead Manager and Lead Arranger and the Notes Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents, the Issue Documents and Security Documents;
- (iv) A written confirmation from the transaction solicitors addressed to the Lead Manager and the Lead Arranger that all the conditions precedent have been fulfilled and where required, all the necessary Transaction Documents, the Issue Documents and Security Documents have been presented for registration with the relevant registries, including but not limited to the CCM and the High Court of Malaya;
- (v) Confirmation that the Collection Account has been opened for the purposes stated herein with a Financial Institution and the particulars of such account together with the relevant acknowledgement from the Financial Institution and the particulars of the mandates have been provided by the Issuer to the Notes Trustee, the Lead Arranger, the Lead Manager and the Servicer;

- (vi) The mandate for operating the Collection Account has been issued in favour of the Notes Security Trustee as the sole signatory;
 - (vii) A due diligence opinion produced by the due diligence solicitors confirming that the steps and procedures of the due diligence review on the Originator, Issuer and the Hire Purchase Receivables as set out in the due diligence planning memorandum and agreed to by the due diligence working group comply with all relevant rules and regulations;
 - (viii) Confirmation or evidence satisfactory to the Lead Arranger and the Lead Manager that the Liquidity Facility (as defined in Section (E)(i) of this term sheet) is available;
 - (ix) Any other conditions as may be advised by the solicitors acting for the Lead Arranger and the Lead Manager.
- (u) *Representations and warranties* : The representations and warranties by the Issuer in respect of the Notes include the following:
- (i) The Issuer is a limited liability company duly incorporated and validly existing under the laws of Malaysia, has power to carry on its business and to own its property and assets and has complied in all material respects with all legal and regulatory requirements related to its business;
 - (ii) The execution, delivery and performance by the Issuer of the Transaction Documents, the Issue Documents and Security Documents are properly authorised;
 - (iii) the execution, delivery and performance by the Issuer of the Transaction Documents, the Issue Documents and Security Documents are in compliance with the law;
 - (iv) the Transaction Documents, the Issue Documents and Security Documents

- constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms;
- (v) all filings legally required of the Issuer have been effected;
 - (vi) the Issuer has not engaged in any activities since its incorporation other than those contemplated by the Transaction Documents, the Issue Documents and Security Documents;
 - (vii) no litigation or other proceedings is in progress or pending against the Issuer;
 - (viii) no steps for the winding-up of the Issuer have been taken;
 - (ix) no default by the Issuer of any terms of the Transaction Documents, the Issue Documents and Security Documents or affecting it has occurred;
 - (x) the Issuer has complied with all undertakings, covenants and other obligations under the Transaction Documents, the Issue Documents and Security Documents or affecting it;
 - (xi) all information furnished by the Issuer is true and correct and not misleading and there is no material omission from such information;
 - (xii) there has been no adverse change in financial condition of the Issuer which may affect the success of the issue of the Notes;
 - (xiii) no information or documents have been withheld from the Lead Arranger or the Lead Manager or the Primary Subscriber (as the case may be) which may in any way materially affect their decision to subscribe for the Notes or enter into and perform their obligations under the Issue Documents;
 - (xiv) the Class A Notes will constitute direct, unconditional and secured obligations of the Issuer;
 - (xv) the Class B Notes and Class C Notes will constitute direct, unconditional and unsecured obligations of the Issuer. The Class B Notes in a particular Notes Series shall at all times rank subordinate to the

Class A Notes of that particular Series. The Class C Notes in a particular Notes Series shall at all times rank subordinate to the Class A Notes and Class B Notes of that particular Notes Series;

- (xvi) none of the assets, properties or rights of the Issuer are affected by any security interest other than those created under the relevant Security Documents;
- (xvii) the Issuer is conducting its business and operations in compliance with all applicable laws and regulations; and
- (xviii) any other representations and warranties as may be advised by the solicitors for the Lead Manager.

- (v) *Events of Default* : Under the Trust Deed to be entered into between the Issuer and the Notes Trustee, the events of default will include but will not be limited to the following:
- (i) the Issuer fails to pay any Coupon due on any of the Class A Notes or Class B Notes on the relevant Payment Date or any principal due on the Class A Notes, Class B Notes and the Class C Notes on the relevant maturity date. Failure to pay Coupon on the Class C Notes will not constitute an event of default save as set out below;
 - (ii) the Issuer breaches its obligations in respect of the Notes or under any of the Transaction Documents, the Issue Documents or Security Documents (other than that stated in (a) above) which in the opinion of the Notes Trustee, is incapable of remedy; or which, in the opinion of the Notes Trustee being capable of remedy, is not remedied to the satisfaction of the Notes Trustee within a period to be agreed;
 - (iii) it becomes unlawful for the Issuer or the Originator to perform its obligations under the Notes or any of the Transaction Documents, the Issue Documents or Security Documents;
 - (iv) the Issuer and/or the Originator repudiates any of the Transaction Documents, the Issue Documents or Security Documents;

- (v) the Issuer ceases or fails to be the beneficial owner of the Hire Purchase Receivables, otherwise than in accordance with any of the terms of the Transaction Documents, the Issue Documents and Security Documents, and such cessation or failure 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 or otherwise comply with any of the terms of the Transaction Documents, the Issue Documents or Security Documents;
- (vi) a winding up order has been made against the Issuer or a resolution to wind up the Issuer has been passed;
- (vii) a scheme of arrangement under Section 176 of the Act has been instituted against the Issuer;
- (viii) a receiver has been appointed over the whole or a substantial part of the assets of the Issuer;
- (ix) any other indebtedness of the Issuer becomes due and payable prior to its stated maturity or where the security created for any other indebtedness becomes enforceable;
- (x) there is a revocation, withholding or modification of a license, authorisation or approval that impairs or prejudices the Issuer's or the Originator's ability to comply with the terms and conditions of the Trust Deed, the Issue Documents, the Security Documents or any of the Transaction Documents;
- (xi) any of the provisions in the Transaction Documents, the Issue Documents or Security Documents becomes ineffective, invalid or unenforceable and in the opinion of the Notes Trustee such event is materially prejudicial to the interests of the holders of the Notes;
- (xii) any misrepresentation or incorrect or misleading representation, warranty or statement is made by the Issuer under any of the Transaction Documents, Issue Documents or Security Documents;

- (xiii) the Issuer changes the nature or scope of its business, suspends or ceases or threatens to suspend or cease a substantial part of its business operations;
- (xiv) the Issuer becomes insolvent; and
- (xv) any other Events of Default as may be advised by the solicitors acting for the Lead Manager.

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 for that particular 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 for that particular 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 any lower ranking Notes.

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| <p><i>Failure to pay Coupon on Class C Notes</i></p> | : | <p>Save for the failure to pay Coupon on the Class C Notes (i) on the relevant maturity date of the Class C Notes; or (ii) on any Payment Date after the Class A Notes and Class B Notes of the relevant Notes Series have been fully redeemed, failure to pay Coupon on the relevant Payment Dates will not constitute an Event of Default.</p> |
| <p>(w) <i>Principal terms and conditions for warrants (where applicable)</i></p> | : | <p>Not applicable</p> |
| <p>(x) <i>Other principal terms and conditions for the issue</i></p> | : | <p>Please refer to following sections as set out below:</p> <ul style="list-style-type: none"> (A) Further details of the Notes; (B) The Hire Purchase Receivables; (C) Sale of the Hire Purchase Receivables; (D) Notes Series 2005-A; (E) Application of Funds; and (F) Details of the Interest Rate Swap Arrangement. |

(A) Further details of the Notes

- (i) *Ranking/Status* : The Class A Notes will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer limited in recourse to the relevant Hire Purchase Receivables Series and any assets relating thereto or derived therefrom and shall at all times rank pari passu without discrimination, preference or priority among themselves, but will be subject to payments preferred under law and in the Issue Documents and Security Documents. The Class A Notes in a particular Notes Series will rank senior to the Class B Notes and Class C Notes of the same Notes Series.
- The Class B Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer limited in recourse to the relevant Hire Purchase Receivables Series and any assets relating thereto or derived therefrom and shall at all times rank pari passu without discrimination, preference or priority among themselves, but will be subject to payments preferred under law and in the Issue Documents and Security Documents. The Class B Notes in a particular Notes Series will rank senior to the Class C Notes of the same Notes Series.
- The Class C Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer limited in recourse to the relevant Hire Purchase Receivables Series and any assets relating thereto or derived therefrom and shall at all times rank pari passu without discrimination, preference or priority among themselves, but will be subject to payments preferred under law and in the Issue Documents and Security Documents.
- (ii) *Availability Period* : The availability period for the issue of the Notes will be five (5) years from the date the relevant conditions precedent under the Transaction Documents and Security Documents have been complied with and the Transaction Documents and Security Documents have been executed, provided that the first issuance of the Notes shall be within six (6) months from the date of the SC's approval or such other longer period as may be allowed by the SC.

- (iii) *Early Amortisation Events* : If any of the following events (each, an “Early Amortisation Event”) occurs and is declared:
- (a) the basis of taxation submitted to the tax authorities is disputed by the tax authorities, which the Notes Trustee deems could result in significant additional tax assessments payable and notwithstanding any objection lodged by the Issuer;
 - (b) any:
 - (1) material breach of representation or warranty or failure to perform or observe any term or covenant made by the Originator or the Servicer in the relevant Transaction Documents; or
 - (2) information required to be given by the Originator or Servicer to the Issuer proves to have been incorrect or misleading in any material respect when made or delivered,and such breach or failure or incorrect or misleading information continues for a period of thirty (30) days after the earlier of discovery thereof by the Originator or receipt of written notice thereof from the Issuer, the Notes Trustee or the Notes Security Trustee;
 - (c) (i) failure on the part of the Servicer to make any payment or deposit required under relevant Transaction Documents within three (3) Business Days after the day such payment or deposit is required to be made or (ii) failure on the part of the Originator or the Servicer to observe or perform any other covenant or agreement of the Originator or the Servicer set forth in the relevant Transaction Documents and, if capable of being remedied, continues unremedied for a period of twenty (20) Business Days after the earlier of discovery thereof by the Originator or the Servicer or receipt of written notice thereof from the Issuer, the Notes Trustee or the Notes Security Trustee;
 - (d) the Issuer shall for any reason fail to have a valid ownership interest in the Hire Purchase Receivables and the proceeds thereof, free and clear of all liens, security

interests, charges, encumbrances or adverse claims, except as provided in the Transaction Documents and Security Documents;

- (e) either of the Originator or the Servicer shall enter into any transaction or merger whereby it is not the surviving entity and the surviving entity either (1) fails to assume all of the obligations of the Originator or the Servicer (as applicable) under any of the Transaction Documents to which its predecessor was a party by operation of law or pursuant to an agreement satisfactory to the other party(ies) to such Transaction Document, acting reasonably or (2) has a creditworthiness which is materially weaker than that of its predecessor and which would result in a downgrade of the then credit ratings of the Class A Notes;
- (f) any material adverse change in the financial condition or operations of the Originator or the Servicer or any other event which materially and adversely affects the Originator's or Servicer's ability to either collect Hire Purchase Receivables arising under the relevant hire purchase agreements or its obligations to perform under the Transaction Documents, in each case in the sole discretion of the Notes Trustee;
- (g) in the sole discretion of the Notes Trustee, there occurs an event which is likely to materially and adversely affect the transactions contemplated by the Transaction Documents, the Issue Documents and Security Documents;
- (h) on any Payment Date, failure of the Issuer to repay all amounts due and owing in respect of the Liquidity Facility (as defined in Section (E)(i) of this term sheet);
- (i) the Net Monthly Default Ratio exceeds four percent (4%) for three (3) consecutive months;
- (j) on any Payment Date, failure of the Issuer to meet the Scheduled Principal Balances (as defined in Section D of this term sheet), and

- (k) any other criteria as may be advised by the solicitors, the Lead Manager or the Lead Arranger (if any),
- then all moneys shall be applied in the manner provided for under the section “Application of Proceeds – Early Amortisation Events” in Section (E) of this term sheet.
- (iv) *Transferability* : The Class A Notes are transferable, but subject to the selling restrictions set out in Section (p) of this term sheet.
- The Class B Notes are transferable, but subject to the selling restrictions set out in Section (p) of this term sheet.
- The Class C Notes are not transferable.
- (v) *Repurchase* : The Issuer shall not be entitled to purchase the Notes or otherwise acquire the Notes, whether in the open market or otherwise.
- (vi) *Taxation* : All payments by the Issuer 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 shall not be required to gross up in connection with such withholding or deduction.
- (vii) *Due Diligence* : The Lead Manager/Lead Arranger will arrange for a due diligence investigation and the obligations of the Lead Manager/Arranger in this term sheet are subject to the successful completion of such due diligence and the results being satisfactory to the Lead Manager/Lead Arranger. In this context, the due diligence solicitors and the auditors/tax advisers shall be required to provide a letter to the Lead Manager/Lead Arranger in form and substance acceptable to the Lead Manager/Lead Arranger confirming that it may rely upon such opinions to establish its due diligence in connection with the declaration to be given by the Lead Arranger as part of the submission to the SC.
- (viii) *Adverse Market* : From the date a formal offer is made by the Lead Manager until the first issue date of the Notes and, for subsequent issuance of the Notes, prior to the respective issuance dates, the Lead Manager retains the right to amend, withdraw and/or terminate the offer if there occurs any

- event or circumstance which, in the opinion of the Lead Manager, may materially and adversely affect any of the international and domestic money, capital or syndicated loan markets, the business activities of the Issuer and/or the Originator and/or any of its subsidiaries and/or associated companies and/or the social, political, financial and/or economic situation in Malaysia.
- (ix) *Clear Market* : For the first issuance of the Notes, from the date a formal offer is made by the Lead Manager until the expiry of ninety (90) days after the first issuance of the relevant Notes, and for the subsequent issuance of the Notes during the period commencing ninety (90) days before the relevant issuance date and ending ninety (90) days after the relevant issuance date, the Issuer and/or the Originator shall ensure that no other borrowings, debt instruments or securities issued and/or guaranteed by the Issuer and/or the Originator and/or any of its subsidiaries and associated companies are mandated, syndicated or privately placed which may, in the opinion of the Lead Manager, have the effect of prejudicing the successful completion of this transaction and the placement and/or selling down of the relevant Notes.
- (x) *Other Expenses* : All costs, charges and expenses including trustee and security trustee fees, legal and other professional fees, rating fees, stamp duties, penalties, BNM transaction charges, SC processing fees, filing fees and other incidental expenses are for the account of the Originator, even if the issue of the Notes are subsequently aborted for any reason whatsoever.
- (xi) *Governing law and jurisdiction* : The Notes, the Transaction Documents, the Issue Documents and Security Documents will be governed by the laws of Malaysia and the parties thereto will submit to the exclusive jurisdiction of the Malaysian courts.
- (xii) *Other Conditions* : The Notes shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and/or any other authority in Malaysia having jurisdiction over matters pertaining to the Notes, and the Codes of Conduct.

(B) The Hire Purchase Receivables

- (i) *Hire Purchase Receivables* : The Hire Purchase Receivables originated by the Originator will include, where the context so permits, the Originator's rights, title and interest in and to the relevant hire-purchase agreements under which Hire Purchase Receivables are derived and all collateral security and insurance and other rights in connection or in relation thereto, including any proceeds from recoveries, late fees, penalty interest, etc thereon.

The Hire Purchase Receivables will also include additional hire purchase receivables sold by the Originator to the Issuer during the Availability Period (as described in Section (C) (ii) of this term sheet) which will be financed by further issues of the Notes.

The hire-purchase agreements are governed by the Hire Purchase Act 1967. The Hire Purchase Receivables are derived from the hire of new and secondhand motor vehicles.

- (ii) *Hire Purchase Receivables Series* : A specifically identified pool of Hire Purchase Receivables sold by the Originator to the Issuer will be financed by the proceeds derived from issuing a Notes Series under the MTN Programme. The first Hire Purchase Receivables Series will be Hire Purchase Receivables Series 2005-A.

- (iii) *Eligibility Criteria* : The Hire Purchase Receivables to be sold to the Issuer will consist of hire purchase receivables which fully meet certain criteria ("Eligibility Criteria") from time to time during the Availability Period (each date of such sale being a "Series Sale Date").

In order to satisfy the Eligibility Criteria, each of such Hire Purchase Receivable is, or will be, as of the relevant 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) payable in Ringgit Malaysia;
- (c) 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 tenor of the relevant Notes Series;
 - (f) a Hire Purchase Receivable which has not been selected by the Originator under selection procedures adverse to the Issuer or any of the holders of the Class A Notes, Class B Notes or Class C Notes;
 - (g) a Hire Purchase Receivable meeting certain delinquency criteria, including the requirement that the Hirer has made at least three (3) monthly payments under the relevant hire purchase agreement and under which not more than one (1) current monthly payment shall be in arrears as at the relevant Series Sale Date;
 - (h) a Hire Purchase Receivable which together with the related security was created in compliance with all requirements of law and pursuant to a hire-purchase agreement which complies with all requirements of law;
 - (i) a Hire Purchase Receivable with respect to which all material consents, licenses, 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 Hire Purchase Receivable or the execution, delivery, creation and performance by the Originator of the related agreement pursuant to which such Hire Purchase 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 hirer enforceable against such hirer in accordance with the terms of the hire purchase agreement;

- (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 relevant Series Sale Date subject to any right of rescission, set-off, counterclaim or defense (including the defence of usury), other than statutory bankruptcy and insolvency defenses;
- (m) a Hire Purchase Receivable with respect to which the Originator has satisfied all obligations to be fulfilled on or prior to the relevant 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 Issuer;
- (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 Issuer 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 Receivable comprised in a Hire Purchase Receivables Series may have its own additional criteria which will be specified in the relevant Purchase Agreement Series Supplemental (as defined in Section (C) of this term sheet).

Additional eligibility criteria specific to the Hire Purchase Receivables Series 2005-A 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 that has a BNM purpose code for

- private motorcars (currently, code 03) or company motorcars (currently, code 14);
 - (c) a Hire Purchase Receivable which had an initial amount financed of less than RM250,000;
 - (d) a Hire Purchase Receivable in respect of which the original hire term is not more than eighty-four (84) months; and
 - (e) 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) *Series Sale* : From time to time during the Availability Period (as defined below) of the MTN Programme, the Issuer will issue a new Notes Series to finance the purchase of a new Hire Purchase Receivables Series from the Originator, which sale and purchase shall take effect as and from a Series Sale Date. The Hire Purchase Receivables will be sold to the Issuer pursuant to a purchase agreement (the "Purchase Agreement"). Under the Purchase Agreement, the Originator will sell Hire Purchase Receivables including all principal amounts and all terms charges to be collected under the hire purchase contracts. Additionally, certain requirements for the sale of each Hire Purchase Receivables Series will be reflected in a supplemental agreement to the Purchase Agreement (each, a "Purchase Agreement Series Supplemental").
 - (ii) *Availability Period* : The Issuer may purchase a new Hire Purchase Receivables Series to the extent that the Issuer has utilisable limit under the MTN Programme sufficient to make such purchases, for a period commencing from the later of the date of the Transaction Documents and the date upon which all of the conditions precedent have been met and ending on the fifth anniversary thereof (the "Availability Period") so long as no Termination Event (as defined below) has been declared and is continuing or Early Amortisation Event has been declared and provided that the Notes shall not have a maturity date beyond the tenor of the MTN Programme.

- (iii) *Purchase Price* : The Hire Purchase Receivables to be transferred to the Issuer on each Series Sale Date will be purchased together with earned/accrued terms charges with a portion of proceeds from the issuance and sale of the respective Notes Series. The price to be paid for the Hire Purchase Receivables on the Series Sale Date for each Hire Purchase Receivables Series will be defined in its Purchase Agreement Series Supplemental. The price will be equal to the present value of the Collections (as defined below) to be received, discounted at the Hire Purchase Receivables Series discount rate after deducting an amount which is not more than RM2,500,000 to meet all initial fees, costs and expenses of the Issuer. The current indicative Hire Purchase Series discount rate of the Hire Purchase Receivables Series 2005-A is 5.24%.
- The purchase price payable for the purchase of Hire Purchase Receivables on each Series Sale Date shall be payable by the Issuer on each Notes Series' Issue Date in cash.
- (iv) *Initial Investment Amount* : In respect of a Hire Purchase Receivables Series to be sold on a Series Sale Date, the aggregate Ringgit amount of principal and terms charges contracted to be paid up to the scheduled maturity of the Hire Purchase Receivables.
- (v) *Investment Amount* : On any date of determination, the Initial Investment Amount relevant to a Hire Purchase Receivables Series reduced by any Collections received thereon.
- (vi) *Cancellation* : In the event a Notes Series is not issued by the date falling thirty (30) days (or such longer period as the Originator, Issuer and Notes Trustee may agree) after and including the Series Sale Date (the "Cancellation Date"), the Purchase Agreement Series Supplemental shall be terminated with the following consequences:
- (a) the sale of the Hire Purchase Receivables contracted to be sold to the Issuer prior to the Cancellation Date as part of the Hire Purchase Receivables Series shall be rescinded;
 - (b) Hire Purchase Receivables sufficient to reduce the relevant Investment Amount to zero shall be re-assigned to the Originator without liability on the part of the Issuer.

The Issuer shall remit to the Originator free of interest the balance of all Collections in relation to the relevant Hire Purchase Receivables received by it prior to such Cancellation Date after deducting any accrued and unpaid fees, costs and expenses and unpaid administrative costs and expenses incurred by the Issuer, Notes Trustee and/or the Notes Security Trustee and/or to be incurred in respect of any resulting winding up or dissolution of the Issuer.

- (vii) *Representations and Warranties of the Originator* : The Originator will make certain representations and warranties in the Purchase Agreement with respect to the Hire Purchase Receivables and the Originator as Servicer will make certain representations and warranties in the Servicing Agreement to be entered into between the Originator as Servicer and the Issuer. If the Originator breaches certain representations and warranties with respect to the nature of any Hire Purchase Receivable and such breach being capable of being remedied remains uncured for a specified period after the Originator becomes aware or receives notice thereof from the Issuer or Notes Trustee, or from the Servicer (if the Originator ceases to be the Servicer), or which is not capable of being remedied, such Hire Purchase Receivables shall be resold and reassigned to the Originator.

The repurchase price shall be equivalent to the aggregate of:

- (1) the outstanding principal balance of the Hire Purchase Receivables on the date of repurchase;
- (2) accrued terms charges on the Hire Purchase Receivables; and
- (3) if the date of repurchase does not coincide with a Payment Date, interest on item (1) above computed at the effective rate of the Hire Purchase Receivables being repurchased from the date of repurchase to the next Payment Date.

The representations and warranties of the Originator under the Purchase Agreement include the following:

- (a) each Hire Purchase Receivable intended to be sold satisfies the Eligibility Criteria in all respects;

- (b) the particulars of each Hire Purchase Receivable delivered by the Originator to the Issuer and the Notes Trustee are in all material respects complete, true, up to date, accurate and not misleading;
- (c) all information furnished by the Originator is true and correct in all material respects and not misleading and does not contain any material omission;
- (d) the Originator is not in violation of any order of any governmental agency and there are no actions, suits, litigation or proceedings against the Originator that could have a material adverse effect on the Originator, the Issuer or the holders of the Notes;
- (e) since the Cut Off Date which is the date that the pool of Hire Purchase Receivables to be purchased for each Series Sale Date is identified, the Originator has made no changes to its credit and collection policies that could have a material adverse effect on the Issuer or the holders of the Notes;
- (f) the Originator has complied in all respects with the Hire Purchase Act 1967 in respect of each Hire Purchase Receivable sold or intended to be sold;
- (g) the Originator has not received written notice of any litigation or claim calling into question in any material way its title to any vehicle or any Hire Purchase Receivable or any hirer's title to the vehicle which is the subject of any hire purchase agreement;
- (h) full and proper accounts and records relating to the Hire Purchase Receivables have been kept and are up to date and in the possession of the Originator or held to its order;
- (i) the tangible net worth of the Originator on each Series Sale Date is no less than Ringgit Malaysia One Hundred and Fifty Million (RM150,000,000);
- (j) the Originator has obtained all appropriate authorisations required under law to enable it to own the Hire Purchase Receivables and to perform its obligations

- under the Purchase Agreement and it is conducting its business and operations in compliance with all applicable laws and regulations;
- (k) the execution, delivery and performance of the Purchase Agreement do not breach any applicable laws;
 - (l) no Termination Event has occurred;
 - (m) no material litigation or other proceedings of a material nature is in progress or pending against the Originator save as disclosed in the information memorandum prior to the execution of the Purchase Agreement;
 - (n) no steps for the winding-up of the Originator have been taken;
 - (o) the Originator is not in default under any agreement binding on it or its assets or to which it is a party, which would materially and adversely affect its financial condition, business or operations or its ability to fully perform its obligation under the Purchase Agreement;
 - (p) save as disclosed in the information memorandum to be issued by the Issuer, none of the Hire Purchase Receivables are affected by any security interest and the Originator is not a party to, nor is it or any of its assets bound by, any order, agreement or instrument under which the Originator is, or in certain events may be, required to create, assume or permit to arise any security interest over its Hire Purchase Receivables arising from the sale of the Hire Purchase Receivables;
 - (q) the Originator is a going concern on each Series Sale Date;
 - (r) the assignment by the Originator of each Hire Purchase Receivable is a valid equitable absolute assignment enforceable in accordance with the terms of the Purchase Agreement; and

- (s) the Originator is not aware of anything which would result in the sale and assignment of each Hire Purchase Receivable being void or voidable under laws relating to bankruptcy and insolvency.

(viii) *Equitable Assignment* : The sale of the Hire Purchase Receivables by the Originator from time to time under the Purchase Agreement will be a “true sale” by way of an equitable absolute assignment for legal purposes. The Originator will represent and warrant that each sale of Hire Purchase Receivables will be a valid equitable assignment from the Originator to the Issuer of all of the Originator’s rights, title and interest therein and in the proceeds thereof. Since the sale of the Hire Purchase Receivables is to be by way of an equitable absolute assignment, no notification will be required to be given by the Originator to the hirers.

However, upon the occurrence of an Event of Default in relation to the Notes or certain Termination Events (as described below (“Notification Events”)), the Notes Trustee, acting on behalf of the Originator, will be required to give written notice to the hirers of the sale of the Hire Purchase Receivables to the Issuer. Such notification will create an absolute and perfected legal assignment.

Notification Events

These events shall include:

- (a) the Originator is for the purposes of Section 218(2) of the Act deemed to be unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or other payments) with respect to all or any class of its debts, or any other event set out in Section 218(1) of the Act occurs and in the case of any of the events aforementioned, the financial condition of the Originator is materially and adversely affected;
- (b) the net tangible assets of the Originator based on its latest consolidated financial statements falls below RM150,000,000;
- (c) a petition is presented or an order is made or a resolution is passed or any other action or step is taken for the winding up of the Originator (other than a solvent

- reorganisation on terms approved by the holders of the Class A Notes by Special Resolution) and the same is not discharged, withdrawn, set aside or discontinued within thirty (30) days;
- (d) (i) failure on the part of the Servicer to make any payment or deposit required under the relevant Transaction Documents within three (3) Business Days after the day such payment or deposit is required to be made or (ii) failure on the part of the Originator or the Servicer to observe or perform any other covenant or agreement of the Originator or the Servicer set forth in the relevant Transaction Documents and, if it is capable of being remedied, which continues unremedied for a period of twenty (20) Business Days after the earlier of discovery thereof by the Originator or the Servicer or receipt of written notice thereof from the Issuer, the Notes Trustee or the Notes Security Trustee;
 - (e) any representation or warranty made by the Originator in the relevant Transaction Documents or any information required to be given by the Originator to the Issuer and/or Notes Trustee proves to have been incorrect or misleading in any material respect when made or delivered and continues to be incorrect or misleading in any material respect for a period of thirty (30) days after the earlier of discovery thereof by the Servicer or receipt of a written notice thereof from the Issuer, the Notes Trustee or the Notes Security Trustee and as a result of which the interests of the holders of the Class A Notes are or will be materially and adversely affected;
 - (f) the occurrence of any Servicer default as set out in the Servicing Agreement; and
 - (g) any of the events referred to in items (e) and (f) of the definition "Early Amortisation Events".

- (ix) *Servicing* : Pursuant to the Servicing Agreement to be entered into between the Servicer and the Issuer, the Servicer will be responsible for receiving, servicing and remitting collections in relation to the Hire Purchase Receivables ("Collections"). The Servicer will keep accurate records of all amounts payable under the relevant Hire Purchase Agreements.
- The Notes Trustee will also be a party to the Servicing Agreement. No amendments to the Servicing Agreement may be made without the prior written consent of the Notes Trustee. Certain undertakings by the Servicer in relation to its obligations as the Servicer will be subject to the direction, requirement or consent of the Issuer and/or the Notes Trustee. The Servicer will deposit the Collections into the Collection Account within one (1) Business Day of receipt commencing from but excluding the first Series Sale Date.
- (x) *Daily Report* : On each Business Day commencing from the first Series Sale Date, the Servicer shall submit a report (the "Daily Report") to the Notes Trustee which sets forth the amount of Collections received in connection with each Hire Purchase Receivables Series sold to the Issuer received during the immediately preceding Collections Day (as defined below).
- "Collections Day" means a Business Day, and includes where any Business Day is preceded by a day or succeeding days which is or are not a Business Day or Business Days, those immediately preceding day or days.
- (xi) *Monthly Report* : On a monthly basis, the Servicer will deliver to the Issuer, the Notes Trustee and RAM, a report in respect of each Hire Purchase Receivables Series (the "Monthly Report") setting forth, among other things, the aggregate amount of the Collections received during the preceding month, the Hire Purchase Receivables activity, the principal balance of the Hire Purchase Receivables including prepayments, delinquencies and defaults; certain portfolio performance statistics of the Hire Purchase Receivables; and whether certain Hire Purchase Receivables performance tests (e.g. relating to yield and principal coverage) have been satisfied.

- (xii) *Commission* : The Servicer will receive as compensation for preparing the reports and depositing the Collections into the Collection Account a fee which is equal to one percent (1%) of total Collections on all Hire Purchase Receivables during each three month period (the "Commission") and will be paid on each Payment Date. After all the Notes under a Notes Series have been fully paid and sufficient amount has been set aside for the winding-up cost of the Issuer, a portion of any remaining Collections from the relevant Hire Purchase Receivables Series may be paid to the Servicer as additional Commission in accordance with the applicable provisions in Section (E) of this term sheet.
- (xiii) *Termination Events* : The following shall, together with such other events as may be determined, constitute Termination Events under the Purchase Agreement:
- (a) the Originator is for the purposes of Section 218(2) of the Act deemed to be unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal or other payments) with respect to all or any class of its debts, or any other event set out in Section 218(1) of the Act occurs and in the case of any of the events aforementioned, the financial condition of the Originator is materially and adversely affected;
 - (b) the net tangible assets of the Originator based on its latest consolidated financial statements falls below RM150,000,000;
 - (c) a petition is presented or an order is made or a resolution is passed or any other action or step is taken for the winding up of the Originator (other than a solvent reorganisation on terms approved by the holders of the Class A Notes by special resolution) and the same is not discharged, withdrawn, set aside or discontinued within thirty (30) days;
 - (d) (i) failure on the part of the Servicer to make any payment or deposit required under the relevant Transaction Documents within three (3) Business Days after the day such payment or

deposit is required to be made or (ii) failure on the part of the Originator or the Servicer to observe or perform any other covenant or agreement of the Originator or the Servicer set forth in the relevant Transaction Documents and, if it is capable of being remedied, which continues unremedied for a period of twenty (20) Business Days after the earlier of discovery thereof by the Originator or the Servicer or receipt of written notice thereof from the Issuer, the Notes Trustee or Notes Security Trustee;

- (e) any representation or warranty made by the Originator in the relevant Transaction Documents or any information required to be given by the Originator to the Issuer and/or Notes Trustee proves to have been incorrect or misleading in any material respect when made or delivered and continues to be incorrect or misleading in any material respect for a period of thirty (30) days after the earlier of discovery thereof by the Servicer or receipt of a written notice thereof from the Issuer, the Notes Trustee or the Notes Security Trustee and as a result of which the interests of the holders of the Class A Notes are or will be materially and adversely affected;
- (f) the occurrence of any Servicer default as set out in the Servicing Agreement;
- (g) the occurrence of any Event of Default or any Early Amortisation Event under the Notes;
- (h) non-compliance of any of the requirements of the Law which have not been waived by the Official Bodies and is continuing or will occur if any proposed transfer of the Hire Purchase Receivables is effected;
- (i) occurrence of certain events relating to the performance of the Hire Purchase Receivables as agreed and provided in the Transaction Documents (if any); and
- (j) such other Termination Events as provided in the Transaction Documents, the Issue Documents and Security Documents (if any),

then:

- (1) in the case of any event under sub-paragraphs (a), (b), (c), (d)(1), (g) and (h) above, the Notes Trustee shall, unless otherwise directed by the holders of the Class A Notes by an agreed majority; and
- (2) in all other cases not specifically mentioned in (1) above, the Notes Trustee may at its discretion, and shall if so directed by the holders of the Class A Notes by an agreed majority,

declare that a Termination Event has occurred and promptly inform the Originator, Issuer and Servicer accordingly. So long as any Termination Event has occurred and is continuing, the Issuer shall cease to purchase any Hire Purchase Receivables.

- (xiv) *"Clean Up" Call Option* : The Originator may repurchase all (but not part only) of the outstanding Hire Purchase Receivables in a particular Hire Purchase Receivables Series on any date after the Investment Amount of a Receivables Series falls below five percent (5%) of its Initial Investment Amount and provided always that all the Class A Notes for that particular Hire Purchase Receivables Series has been fully repaid.

The repurchase price shall be equivalent to the aggregate of:

- (1) the outstanding principal balance of the Hire Purchase Receivables on the date of repurchase;
- (2) accrued terms charges on the Hire Purchase Receivables up to the date of repurchase; and
- (3) if the date of repurchase does not coincide with a Payment Date, interest on item (1) above computed at the effective rate of the Hire Purchase Receivables being repurchased from the date of repurchase to the next Payment Date.

For the avoidance of doubt, the repurchase proceeds shall be paid by the Originator to the Issuer who shall apply the same in the manner set out in paragraph (iv) of Section (E) below on the Payment Date.

(D) Notes Series 2005-A

- (i) *Issue* : Series 2005-A will be issued on the Series 2005-A Issue Date and will have a nominal value of RM164 million with the following serial tranches:
- (i) Class A Tranche 1 Notes: RM80,000,000;
 - (ii) Class A Tranche 2 Notes: RM50,000,000;
 - (iii) Class A Tranche 3 Notes: RM30,000,000;
 - (iv) Class B Notes: RM2,000,000; and
 - (v) Class C Notes: RM2,000,000.
- (ii) *Preliminary Rating* : (i) Class A Tranche 1 Notes: AAA;
- (ii) Class A Tranche 2 Notes: AAA;
 - (iii) Class A Tranche 3 Notes: AAA;
 - (iv) Class B Notes: A2; and
 - (v) Class C Notes: Unrated.
- (iii) *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.
- (iv) *Tenure/Maturity Dates* : (i) Class A Tranche 1 Notes: 24 months;
- (ii) Class A Tranche 2 Notes: 48 months;
 - (iii) Class A Tranche 3 Notes: 84 months;
 - (iv) Class B Notes: 84 months; and
 - (v) 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.
- (v) *Coupon Rate* : Series 2005-A will carry a fixed rate of interest based on the nominal value of the Notes as follows:
- (i) Class A Tranche 1 Notes: 3.75% per annum;
 - (ii) Class A Tranche 2 Notes: 4.35% per annum;
 - (iii) Class A Tranche 3 Notes: 5.25% per annum;
 - (iv) Class B Notes: 9.00% per annum; and

The Class C Notes shall carry a fixed rate of interest of 11% per annum.

Subject to what is stated in Section (v) of this term sheet 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.

(vi) *Scheduled Principal Balances* : The Scheduled Principal Balances of the Series 2005-A Class A Notes is:

Class A Tranche 1 Notes: -

First Payment Date:	RM80 million
Second Payment Date:	RM60 million
Third Payment Date:	RM50 million
Fourth Payment Date:	RM40 million
Fifth Payment Date:	RM30 million
Sixth Payment Date:	RM20 million
Seventh Payment Date:	RM10 million
Eighth Payment Date:	Zero

Class A Tranche 2 Notes:

First to Eleventh Payment Date:	RM50 million
Twelfth Payment Date:	RM40 million
Thirteenth Payment Date:	RM30 million
Fourteenth Payment Date:	RM20 million
Fifteenth Payment Date:	RM10 million
Sixteenth Payment Date:	Zero

Class A Tranche 3 Notes:

First to Twenty Second Payment Date	RM30 million
Twenty Third Payment Date	RM25 million
Twenty Fourth Payment Date	RM20 million
Twenty Fifth Payment Date	RM15 million
Twenty Sixth Payment Date	RM10 million
Twenty Seventh Payment Date	RM5 million
Twenty Eighth Payment Date	Zero

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

(E) Application of Funds

(i) *Collection Account and Liquidity Facility*

: Collection Account

In respect of each Notes Series, a Collection Account will be opened with a Financial Institution which is acceptable to RAM.

All Collections (which shall be defined to include all proceeds from a resale and reassignment by the Issuer to the Originator pursuant to a breach of warranty or obligation by the Originator under the Purchase Agreement) shall initially be deposited into the Collection Account and then distributed in accordance with the provisions set out in paragraph (iv) of this Section (E). The Collection Account will be a blocked account opened in the name of the Notes Security Trustee with the Notes Security Trustee as its sole signatory.

Liquidity Facility

The Issuer will obtain a revolving overdraft facility from a Financial Institution which is acceptable to RAM in order to meet liquidity requirements ("Liquidity Facility"). A Liquidity Facility shall be obtained by the Issuer for each Notes Series and the principal amount of each Liquidity Facility will be determined prior to the issuance of the relevant Notes Series. The principal amount of the Liquidity Facility in respect of Series 2005-A will be equal to one percent (1%) of the nominal value of the Class A Notes as at the Issue Date (the "Target Level"), and the Liquidity Facility shall have a tenor which is not less than the tenor of the Notes in respect of Series 2005-A. For as long as any Class A Notes for a Notes Series remain outstanding, the Liquidity Facility shall be available to be utilised towards payment of certain expenses and Coupon on the Class A Notes in the manner described in paragraph (v) below. Any part of the Liquidity Facility which is repaid or prepaid will be available for redrawing by the Issuer.

- (ii) *Permitted Investments* : Permitted investments to be made by the Notes Trustee on behalf of the Issuer ("Permitted Investments") shall be limited to the following:
- (a) Securities with a rating of AAA/P1 by RAM;
 - (b) Securities issued or guaranteed by the Government of Malaysia, BNM, Pengurusan Danaharta Nasional Berhad and Danamodal Nasional Berhad;
 - (c) Accounts maintained with a financial institution with a minimum credit rating of A3/P1 by RAM;

- (d) Money market instruments of a financial institution with a minimum credit rating of A3/P1 by RAM; or
- (e) such other investments approved by the Notes Trustee, provided that RAM confirms that such investments do not adversely impact the then current rating of the Notes,

subject to (1) the maturity of the Permitted Investments falling not less than 5 Business Days before the next Payment Date, and (2) the Permitted Investment being denominated in Ringgit Malaysia.

The Collections from each Receivable Series shall be segregated and invested in Permitted Investments which shall be identified as belonging to a particular Notes Series.

- (iii) *Series Allocation* : The Collections received during each period from each Hire Purchase Receivables Series will be allocated to their respective Notes Series. Such allocations will first reduce the Notes Series until the Investment Amount is equal to zero.

Expenses incurred by the Issuer during each period will be allocated to each Hire Purchase Receivables Series. In order to make such allocation, the Notes Trustee will calculate:

“Series Fixed Allocation Percentage” as of any date of determination as the Monthly Payment Amount for such Hire Purchase Receivables Series divided by the sum of the Monthly Payment Amounts for all Hire Purchase Receivables Series outstanding at such date of determination. Monthly Payment Amounts is the aggregate of the scheduled collections from the relevant Hire Purchase Receivables Series.

“Series Floating Allocation Percentage” as of any date of determination as the Investment Amount for such Hire Purchase Receivables Series at such date of determination divided by the sum of the Investment Amounts for all Hire Purchase Receivables Series outstanding at such date of determination.

The Notes Trustee may at its sole cost and expense appoint any other party as its agent in relation to the calculation of the various items under the transaction waterfalls of the Collection Account.

- (iv) *Collection Account* : The Notes Trustee will calculate the Derived Amounts (as hereinafter defined) received from each Hire Purchase Receivables Series. The Derived Amounts in respect of each Hire Purchase Receivables Series will be applied in the following order of priority on each Payment Date (save for items (a) to (c) (inclusive) which may be paid at anytime during the year as and when they become due and to the extent of funds available):
- (a) for payment of first, the interest and then the principal of the Liquidity Facility drawdown to make the payments specified in paragraph (v) below with respect to the Notes Series issued to fund such Hire Purchase Receivables Series (“the Relevant Notes Series”) together with any charges, commitment fee or commission in respect thereof, if not already paid;
 - (b) to the payment of any taxes and government charges owed (such payments being made in full from the Derived Amounts in respect of the relevant Hire Purchase Receivables Series where such taxes and government charges are solely attributed to the Notes Series issued to finance such Hire Purchase Receivables Series (the “Relevant Notes Series”), otherwise, such payments will be for a share of such taxes and charges calculated by using the relevant Series Floating Allocation Percentage);
 - (c) to the payment to (1) the relevant payee of accrued and unpaid Issuer fees, costs and expenses which are not expressly prohibited by any of the Transaction Documents and Security Documents; (2) the Notes Trustee and Notes Security Trustee of accrued and unpaid trustee fees, costs and expenses; (3) the relevant payee of accrued and unpaid administrative and audit expenses (other than Commission); and (4) where applicable, payments to a permitted swap counterparty in respect of any IRS arrangement entered into with regard to the relevant Hire Purchase Receivables Series; (such payments of the outgoings

in items (1) to (4) above being made in full from the Derived Amounts in respect of the relevant Hire Purchase Receivables Series where outgoings are solely attributed to the relevant Notes Series, otherwise, such payments will be for a share of such outgoings calculated by using the relevant Series Fixed Allocation Percentage);

- (d) to the payment of the Commission if the Originator is not the Servicer;
- (e) to the pro rata payment of Coupon on each tranche of the Class A Notes forming part of the Relevant Notes Series;
- (f) to the payment of principal on the Class A Notes forming part of the Relevant Notes Series to amortise the relevant Class A Notes to their Scheduled Principal Balance (as set out above). The tranches of the Class A Notes forming part of the Relevant Notes Series will be reduced sequentially;
- (g) to the payment of Coupon due and payable on the Class B Notes forming part of the Relevant Notes Series;
- (h) to the payment of the Commission if the Originator is the Servicer;
- (i) for the early redemption of the Class A Notes forming part of the Relevant Notes Series until their principal balance is equal to zero. Such payments will be for a minimum of RM1,000,000 and in multiples of RM1,000,000. The tranches of the Class A Notes forming part of the Relevant Notes Series will be reduced sequentially;
- (j) to the payment of Coupon due and payable on the Class C Notes forming part of the Relevant Notes Series;
- (k) after the principal balance of the Class A Notes forming part of the Relevant Notes Series has been reduced to zero, to the payment of principal on the Class B Notes forming part of the Relevant Notes Series until the balance is equal to zero. Such payments will be for a minimum of RM250,000 and in multiples of RM50,000;

- (l) after the principal balance of the Class B Notes forming part of the Relevant Notes Series has been reduced to zero, to the payment of principal on the Class C Notes forming part of the Relevant Notes Series until the balance is equal to zero. Such payments will be for a minimum of RM250,000 and in multiples of RM50,000;
- (m) after the principal balance of the Notes forming the Relevant Notes Series has been reduced to zero, amounts in the Collection Account relating to a given Hire Purchase Receivables Series will also be applied in the following order of priority:
 - (i) an amount set aside for any winding up expenses of the Issuer;
 - (ii) a percentage specified in the Trust Deed of any funds remaining in the Collection Account relating to a given Hire Purchase Receivables Series will be applied towards payment of additional servicer commission; and
 - (iii) any remaining amounts shall be paid to the Issuer.

“Derived Amounts” shall mean, in relation to a Hire Purchase Receivables Series: -

- (a) Collections derived from such Receivable Series and any interest thereon; and
- (b) amounts realised from and returns of Permitted Investments (including profits and interest accrued thereon) made from funds held in the Series Collection Account to which such Collections are credited from time to time.

- (v) *Utilisation of Liquidity Facility* : The Liquidity Facility will be available to the Notes Trustee to make payments under items (b) through (e) (both inclusive) of the Collection Account waterfall.

If on any Payment Date there are insufficient funds to repay all amounts owing in respect of the Liquidity Facility, this will constitute an Early Amortisation Event in connection with an early redemption of the Notes (see paragraph (vii) on “Application of Proceeds - Early Amortisation Events” below).

- (vi) *Payment Date* : Each Coupon payment date of the Notes.

- (vii) *Application of Proceeds – Early Amortisation Events* : On each Payment Date after an Early Amortisation Event has occurred, the Notes Trustee shall determine the amount of Derived Amounts with regard to each Hire Purchase Receivables Series. The Derived Amounts in respect of each Hire Purchase Receivables Series shall be applied in the following priority:
- (a) repayment of all amounts due and owing in respect of the Liquidity Facility drawdown to make payment specified in paragraph (v) above with respect to the Relevant Notes Series;
 - (b) payment of taxes and government charges (such payment being made in full from Derived Amounts in respect of the relevant Hire Purchase Receivables Series where such taxes and government charges are solely attributed to the Relevant Notes Series, otherwise, such payment will be for a share of such taxes and government charges calculated by using the relevant Series Floating Allocation Percentage);
 - (c) to the payment, to (1) the relevant payee of any accrued and unpaid Issuer fees, costs and expenses which are not expressly prohibited by any of the Transaction Documents and the Security Documents, (2) the Notes Trustee and the Notes Security Trustee of the accrued and unpaid trustee fees, costs and expenses, (3) the relevant payee of accrued and unpaid administrative and audit expenses (other than the Commission); and (4) where applicable, the permitted swap counterparty of the payment due to such swap counterparty in respect of any IRS arrangement entered into with regard to the relevant Hire Purchase Receivables Series; (such payment of the outgoings in items (1) to (4) above being made in full from the Derived Amount in respect of the relevant Hire Purchase Receivables Series where such outgoings are solely attributed to the Relevant Notes Series, otherwise, such payment will be for a share of such outgoings calculated by using the relevant Series Fixed Allocation Percentage);

- (d) to the payment of the Commission if the Originator is not the Servicer;
- (e) pro-rata payment of Coupon in respect of each tranche of the Class A Notes forming part of the Relevant Notes Series;
- (f) pro-rata payment of Coupon on the Class B Notes forming part of the Relevant Notes Series;
- (g) pro-rata redemption of the Class A Notes forming part of the Relevant Notes Series and all other amounts owing to the holders of such Class A Notes. The tranches of the Class A Notes forming part of the Relevant Notes Series will be reduced sequentially. The application of proceeds shall be repeated for sub-paragraphs (a) to (g) (both inclusive) until such Class A Notes have been redeemed in full;
- (h) pro-rata redemption of the Class B Notes forming part of the Relevant Notes Series and all other amounts owing to the holders of the Class B Notes. The application of proceeds shall be repeated for sub-paragraphs (a) to (h) (both inclusive and where applicable) above until the Class B Notes have been redeemed in full;
- (i) to the payment of the Commission (if the Originator is the Servicer);
- (j) pro-rata payment of Coupon on the Class C Notes Series;
- (k) pro-rata redemption of the Class C Notes forming part of the Relevant Notes Series and all other amounts owing to the holders of the Class C Notes. The application of proceeds shall be repeated for sub-paragraphs (a) to (k) (both inclusive and where applicable) until such Class C Notes have been redeemed in full;
- (l) a pro-rata share of funds set aside for any winding up expenses of the Issuer;
- (m) a percentage specified in the Trust Deed or the relevant conditions to the Trust Deed relating to a particular Notes Series of any funds remaining in the Collection

Account relating to a given Hire Purchase Receivables Series will be applied towards payment of additional servicer commission; and

- (n) any remaining amounts shall be paid to the Issuer.

- (viii) *Application of Proceeds – Events of Default:* : After an Event of Default in relation to a Notes Series has been declared and in the event that the holders of the Notes exercise their rights to enforce the security in accordance with the Security Documents and Trust Deed, the Notes Security Trustee shall hold all the money or property received by the Notes Security Trustee pursuant to any enforcement proceedings under the Trust Deed and/or the Notes against the Issuer taken with respect to any Notes Series and all Derived Amounts in respect of the Hire Purchase Receivables Series the purchase of which is financed by such Notes Series, whether or not received by the Notes Security Trustee pursuant to any such enforcement proceedings (the “Security Proceeds”) and will apply the same in the following manner and order of priority:
- (a) repayment of all amounts due and owing in respect of the Liquidity Facility drawdown to make payment specified in paragraph (v) above with respect to the Relevant Notes Series;
 - (b) payment of taxes and government charges (including the fees and expenses of any receiver and/or manager appointed under any of the Security Documents in connection with enforcement proceedings in relation thereto) (such payments being made in full from the Security Proceeds where such taxes and government charges are solely attributed to the Relevant Notes Series, otherwise, such payments will be for a share of such taxes and government charges calculated by using the relevant Series Floating Allocation Percentage);
 - (c) to the payment, to (1) the relevant payee of any accrued and unpaid Issuer fees, costs and expenses (including payment of all costs to perfect the assignment of the Hire Purchase Receivables to the Issuer) which are not expressly prohibited by any

of the Transaction Documents and the Security Documents, (2) the Notes Trustee and the Notes Security Trustee of accrued and unpaid trustee fees, costs and expenses, (3) the relevant payee of accrued and unpaid administrative and audit expenses (other than the Commission); and (4) where applicable, the permitted swap counterparty of the payment due to such swap counterparty in respect of any IRS arrangement entered into with regard to the relevant Hire Purchase Receivables Series; (such payments of the outgoings in items (1) to (4) above being made in full from the Security Proceeds where such outgoings are solely attributed to the Relevant Notes Series, otherwise such payments will be for a share of such outgoings calculated by using the relevant Series Fixed Allocation Percentage);

- (d) to the payment of the Commission if the Originator is not the Servicer;
- (e) pro-rata payment of Coupon in respect of each tranche of the Class A Notes comprised in the Relevant Notes Series;
- (f) pro-rata redemption of each tranche of the Class A Notes comprised in the Relevant Notes Series until all of the Class A Notes and all other amounts owing to the holders of such Class A Notes have been paid in full;
- (g) pro-rata payment of Coupon on the Class B Notes Series;
- (h) pro-rata redemption of the Class B Notes Series until all of the Class B Notes and all other amounts owing to the holders of the Class B Notes have been paid in full;
- (i) to the payment of the Commission if the Originator is the Servicer;
- (j) pro-rata payment of Coupon on the Class C Notes comprised in the Relevant Notes Series;
- (k) pro-rata redemption of the Class C Notes comprised in the Relevant Notes Series, until all of the Class C Notes and all other amounts owing to the holders of the Class C Notes have been paid in full;

- (l) payment of a pro rata share of the fees, costs and expenses incurred or to be incurred in connection with or incidental to the winding up of the Issuer;
- (m) a percentage specified in the Trust Deed or the relevant conditions to the Trust Deed relating to a particular Notes Series of any funds remaining in the Collection Account relating to a given Hire Purchase Receivables Series will be applied towards payment of additional servicer commission; and
- (n) any remaining amounts shall be paid to the Issuer.

(F) Interest Rate Swap Arrangement

- (i) *Interest Rate Swap Arrangement* : From time to time during the tenor of the MTN Programme, the Issuer may enter into an Interest Rate Swap (“IRS”) arrangement to hedge its exposure to certain interest rate risks.
- (ii) *Interest Rate Swap Series* : The Issuer may enter into an IRS arrangement with respect to a Hire Purchase Receivables Series and each IRS arrangement shall be independent of the other (each, an “IRS Series”).
- (iii) *Documentation* : The IRS arrangement will be governed by the 2002 International Swap Dealers Association (“ISDA”) Master Agreement and the schedules, annexes and the confirmations thereto from time to time (“ISDA Master Agreement”) or such other agreement acceptable to the Rating Agency. However, specific details for each IRS Series will be reflected in a Schedule to the ISDA Master Agreement (“Interest Rate Swap Agreement”) and any other documents delivered in connection with the transactions contemplated in the IRS arrangement and each IRS Series and as advised by the solicitors acting for the swap counterparty.