STRICTLY CONFIDENTIAL – DO NOT FORWARD

IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING. THIS E-MAIL AND ANY ATTACHMENT HERETO ARE INTENDED ONLY FOR USE BY THE ADDRESSEE NAMED HEREIN AND MAY CONTAIN LEGALLY PRIVILEGED AND/OR CONFIDENTIAL INFORMATION. IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS E-MAIL, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THE INFORMATION CONTAINED IN THIS E-MAIL, AND ANY ATTACHMENTS THERETO, ARE STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS E-MAIL IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY REPLY E-MAIL AND PERMANENTLY DELETE ALL COPIES OF THIS E MAIL INCLUDING ALL ATTACHMENTS AND DESTROY ALL PRINTOUTS OF IT. BY OPENING AND ACCEPTING THIS E-MAIL CONTAINING THE INFORMATION MEMORANDUM, THE RECIPIENT AGREES TO BE BOUND BY ALL THE TERMS AND CONDITIONS BELOW. IF YOU DO NOT AGREE TO ANY OF THE TERMS AND CONDITIONS, PLEASE DELETE THIS E-MAIL IMMEDIATELY.

Please find attached an electronic copy of the information memorandum dated 23 October 2013 (the "**Information Memorandum**"), in relation to the proposed offer for subscription or purchase of, or issuance of an invitation to subscribe for or purchase medium term notes (the "**MTN**") pursuant to a guaranteed medium term notes programme of up to RM450.0 million in nominal value (the "**Guaranteed MTN Programme**") by Impian Ekspresi Sdn. Bhd. (Company No. 513545-W) (the "**Issuer**").

The Information Memorandum is strictly confidential and does not constitute an offer or invitation to any person or the public generally to subscribe for or otherwise purchase any of the MTN other than to the persons falling within the categories of persons or in the circumstances as set out below. Distribution of the Information Memorandum to any persons, other than the person receiving this e-mail from the Issuer or Maybank Investment Bank Berhad as the principal adviser, sole lead arranger and sole lead manager (the "**PA/LA**") is unauthorised. The person receiving this e-mail from the Issuer or the PA/LA is prohibited from disclosing the Information Memorandum or any of its contents in any manner or form altering the contents of the Information Memorandum or forwarding a copy of the Information Memorandum or any portion thereof by e-mail or otherwise to any person. By opening and accepting this electronic transmission of the Information Memorandum, the recipient agrees to the foregoing.

The Information Memorandum is not a prospectus and has not been registered nor will it be registered as a prospectus under the Capital Markets and Services Act 2007, as amended from time to time (the "**CMSA**"). The Information Memorandum has not been and will not be made to comply with the laws of any foreign jurisdiction and has not been and will not be registered, lodged or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies in) any foreign jurisdiction and it does not constitute an issue or offer of, or an invitation to subscribe for or purchase the securities or any other securities of any kind by any party in any foreign jurisdiction.

The MTN may only be issued, offered, sold, transferred or otherwise disposed of directly or indirectly to persons falling within any of the categories of persons or in the circumstances specified below:

At the point of issuance:

(i) Schedule 6 (or Section 229(1)(b)) of the CMSA; and
(ii) Schedule 7 (or Section 230(1)(b)) of the CMSA,

read together with Schedule 9 (or Section 257(3)) of the CMSA and which does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965.

After the issuance:

(i) Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA and which does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965.

(the "**Selling Restrictions**").

No action has been taken or will be taken in any jurisdiction by the Issuer or the PA/LA that would, or is intended to, permit an offering of the MTN, or the invitation to subscribe or purchase, offer, issue or transfer of the MTN or the publication or distribution of this Information Memorandum or any other material in connection with the offering of the MTN, in any country or jurisdiction where action for that purpose is required.

This transmission shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the MTN in any jurisdiction in which such offer, solicitation or sale would be unlawful under the laws of such jurisdictions.

By accepting the e-mail and accessing the Information Memorandum, you shall be deemed to have represented to us that (1) you are persons falling within the Selling Restrictions; and (2) you consent to the delivery of the Information Memorandum by e-mail. You are reminded that the Information Memorandum has been delivered to you on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Information Memorandum to any other person. If this is not the case, you must immediately delete all copies of the email and the soft copy of the Information Memorandum and destroy all printouts of it.

Transmission over the internet may be subject to interruptions, transmission blackout, delayed transmission due to internet traffic, incorrect data transmission due to the public nature of the internet, data corruption, interception, unauthorised amendment, tampering, viruses or other technical, mechanical or systemic risks associated with internet transmissions. The Issuer and the PA/LA have not accepted and will not accept any responsibility and/or liability for any such interruption, transmission blackout, delayed transmission, incorrect data transmission, corruption, interception, amendment, tampering or viruses or risks associated with internet transmissions or any consequences thereof. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of destructive nature.

The foregoing is in addition to and without prejudice to all other disclaimers and agreements which a recipient of the Information Memorandum shall be deemed to have agreed to or be bound by as provided in the Information Memorandum.

STRICTLY PRIVATE AND CONFIDENTIAL **Serial No.:**

INFORMATION MEMORANDUM

IMPIAN EKSPRESI SDN BHD

(Company No. 513545-W)

IN RELATION TO THE PROPOSED OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR ISSUANCE OF AN INVITATION TO SUBSCRIBE FOR OR PURCHASE MEDIUM TERM NOTES PURSUANT TO A GUARANTEED MEDIUM TERM NOTES PROGRAMME OF UP TO RM450.0 MILLION IN NOMINAL VALUE

Principal Adviser / Sole Lead Arranger / Sole Lead Manager

Maybank Investment Bank

MAYBANK INVESTMENT BANK BERHAD
(Company No. 15938-H)

This Information Memorandum is dated 23 October 2013

IMPORTANT NOTICE

Responsibility Statements

This information memorandum ("**Information Memorandum**") has been approved by the directors of Impian Ekspresi Sdn Bhd (Company No. 513545-W) (the "**Issuer**") and the Issuer, after having made all reasonable enquiries, accepts full responsibility for the accuracy of the information contained in this Information Memorandum and confirms that this Information Memorandum contains all information with respect to the Issuer which is material in the context of the issuance of medium term notes (the "**MTN**") pursuant to a guaranteed medium term notes programme of up to RM450.0 million in nominal value (the "**Guaranteed MTN Programme**"). The opinions and intentions expressed in this Information Memorandum in relation to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and there are no other facts in relation to the Issuer or the Guaranteed MTN Programme, the omission of which would, in the context of the issue of the MTN, make any statement in this Information Memorandum misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. No representation or warranty, expressed or implied, is made such that the information remains unchanged in any respect as of any date or dates after those stated herein, with respect to any matter concerning the Issuer or any statement made in this Information Memorandum. The Issuer and its board of directors accept full responsibility for the information contained in this Information Memorandum.

Important Notice and General Statement of Disclaimer

This Information Memorandum is being furnished on a private and confidential basis solely for the purpose of enabling prospective investors to consider the purchase of the MTN to be issued pursuant to the Guaranteed MTN Programme.

The Guaranteed MTN Programme has been accorded long-term ratings of $AAA_{(bg)}$ in respect of the MTN(bg) and $AAA_{(fg)}$ in respect of the MTN(fg) by RAM Rating Services Berhad ("**RAM**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the rating agency.

The issue, offer or invitation to subscribe for or purchase the MTN in this Information Memorandum or otherwise are subject to the fulfilment of various conditions precedent including without limitation the authorisation of the Securities Commission Malaysia (the "**SC**").

None of the information or data contained in this Information Memorandum has been independently verified by Maybank Investment Bank Berhad ("**Maybank IB**") as the principal adviser, sole lead arranger and sole lead manager of the Guaranteed MTN Programme (the "**PA/LA**"). Accordingly, no representation, warranty or undertaking, express or implied, is given or assumed by the PA/LA as to the authenticity, origin, validity, accuracy or completeness of such information and data or that the information or data remains unchanged in any respect after the relevant date shown in this Information Memorandum. The PA/LA has not accepted and will not accept any responsibility for the information and data contained in this Information Memorandum or otherwise in relation to the Guaranteed MTN Programme and shall not be liable for any consequences of reliance on any of the information or data in this Information Memorandum.

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

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

The distribution or possession of this Information Memorandum in or from certain Foreign Jurisdictions may be restricted or prohibited by law. Each recipient is required to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer nor the PA/LA accepts any responsibility or liability to any person in relation to the distribution or possession of this Information Memorandum in or from any such Foreign Jurisdiction.

By accepting delivery of this Information Memorandum, each recipient agrees to the terms upon which this Information Memorandum is provided to such recipient as set out in this Information Memorandum, and further agrees and confirms that:

(a) it will keep confidential all of such information and data;

(b) it is lawful for the recipient to subscribe for or purchase the MTN under all jurisdictions to which the recipient is subject;

(c) the recipient has complied with all applicable laws in connection with such subscription for or purchase of the MTN;

(d) the Issuer, the PA/LA and their respective directors, officers, employees and professional advisers are not and will not be in breach of the laws of any jurisdiction to which the recipient is subject as a result of such subscription or purchase of the MTN, and they shall not have any responsibility or liability in the event that such subscription for or purchase of the MTN is or shall become unlawful, unenforceable, voidable or void;

(e) it is aware that the MTN can only be offered, sold, transferred or otherwise disposed of directly or indirectly in accordance with the relevant selling restrictions and all applicable laws;

(f) it has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the MTN, and is able and is prepared to bear the economic and financial risks of investing in or holding the MTN;

(g) it is subscribing or accepting the MTN for its own account; and

(h) it is a person to whom an issue, offer or invitation to subscribe for or purchase of the MTN would constitute persons falling within any one of more of the categories of persons or in the circumstances specified below:

At the point of issuance:

(i) Schedule 6 (or Section 229(1)(b)) of the Capital Markets and Services Act 2007, as amended from time to time ("**CMSA**"); and
(ii) Schedule 7 (or Section 230(1)(b)) of the CMSA,

read together with Schedule 9 (or Section 257(3)) of the CMSA and which does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965.

After the issuance:

(i) Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA and which does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965.

Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. For the avoidance of doubt, this Information Memorandum shall not constitute an offer or invitation to subscribe for or purchase the MTN in relation to any recipient who does not fall within this item (h).

This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of the MTN are not, and should not be construed as, a recommendation by the Issuer and/or the PA/LA or any other person to subscribe for or purchase the MTN. This Information Memorandum is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all-inclusive. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the Guaranteed MTN Programme and all other relevant matters, and each recipient should consult its own professional advisers. All information and statements herein are subject to the detailed provisions of the respective agreements referred to herein and are qualified in their entirety by reference to such documents.

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

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any MTN shall in any circumstance imply that the information contained herein concerning the Issuer or any other person referred to in this Information Memorandum is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Guaranteed MTN Programme is correct as of any time subsequent to the date indicated in the document containing the same. Neither the PA/LA nor any other advisers for the Guaranteed MTN Programme undertake to review the financial condition or affairs of the Issuer or to advise any participants of the Guaranteed MTN Programme or investor in any MTN of any information coming to their respective attention.

This Information Memorandum includes forward-looking statements and reflects future events which may or may not prove to be correct. These statements include, among other things, discussions on the Issuer's business strategy and expectation concerning its position in the Malaysian economy, future operations, growth prospects and industry prospects. All of these statements are based on estimates and assumptions made by the Issuer and although believed to be reasonable, are subject to risks and uncertainties that may cause actual events or future results to be materially different than expected or indicated by such statements and estimates, and no assurance can be given that any such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer or any other persons that the future events as anticipated by the Issuer will occur. Any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer.

This Information Memorandum includes certain historical information, estimates or reports thereon derived from sources mentioned in this Information Memorandum and other parties with respect to the Malaysian economy, the business which the Issuer operates and certain other matters. Such information, estimates, projections or reports have been included solely for illustrative purposes. No representation or warranty is made as to the adequacy, accuracy or completeness of any information, estimates and/or reports thereon derived from such sources or from other third party sources.

Acknowledgement

The Issuer hereby acknowledges that it has authorised the PA/LA to circulate or distribute this Information Memorandum on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the MTN to prospective investors and that no further evidence of authorisation is required.

Statements of Disclaimer by the Securities Commission Malaysia

A copy of the Information Memorandum will be lodged with the Securities Commission Malaysia (the "SC").

An application for the authorisation of the SC in respect of the Guaranteed MTN Programme was made on 16 October 2013 and the SC has authorised the Guaranteed MTN Programme on 16 October 2013 under the deemed approval process pursuant to the CMSA.

Each recipient of this Information Memorandum acknowledges and agrees that the authorisation of the SC shall not be taken to indicate that the SC recommends the subscription for or purchase of the MTN. Further, the SC takes no responsibility for the contents of this Information Memorandum.

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

EACH ISSUANCE OF THE MTN UNDER THE GUARANTEED MTN PROGRAMME WILL CARRY DIFFERENT RISKS AND ALL INVESTORS SHOULD EVALUATE EACH ISSUANCE OF THE MTN BASED ON THEIR RESPECTIVE MERITS. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR SUBSCRIBING FOR THE MTN.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

(a) the most recently published annual audited financial statements and, if published later, the most recently published interim financial statements of the Issuer (if any); and

(b) all supplements or amendments to this Information Memorandum which are circulated by the Issuer from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Information Memorandum.

If the terms of the Guaranteed MTN Programme are modified or amended in a manner, which would make this Information Memorandum, as so modified or amended, inaccurate or misleading, a new Information Memorandum will be prepared.

CONFIDENTIALITY

To the recipient of this Information Memorandum:

This Information Memorandum and its contents are strictly confidential and are made strictly on the basis that they will remain confidential. Accordingly, this Information Memorandum and its contents, or any information, which is made available in connection with any further enquiries, must be held in complete confidence.

This Information Memorandum is submitted to prospective investors specifically with reference to the Guaranteed MTN Programme and may not be reproduced or used, in whole or in part, for any purpose, nor furnished to any person other than those to whom copies have been sent by the PA/LA.

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GLOSSARY OF DEFINITIONS AND ABBREVIATIONS

In this Information Memorandum, the following abbreviations shall have the following meanings unless otherwise stated:

BDDSB	:	Bukit Damansara Development Sdn. Bhd. (Company No. 744416-U), a wholly-owned subsidiary of DASB, which in turn is a wholly-owned subsidiary of Johor Corporation
BG	:	Bank guarantee of up to the maximum aggregate principal amount of RM150.0 million to be issued by MBB to the Trustee pursuant to a bank guarantee facility to irrevocably and unconditionally guarantee the financial obligations of the Issuer with respect to the payment of the principal and one (1) coupon payment relating to the corresponding MTN guaranteed by MBB (the "**BG Facility**")
BNM	:	Bank Negara Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
CMSA		Capital Markets and Services Act 2007 as amended from time to time and any re-enactment thereof
Companies Act	:	Companies Act 1965 as amended from time to time and any re-enactment thereof
Danajamin	:	Danajamin Nasional Berhad (Company No. 854686-K)
DASB	:	Damansara Assets Sdn. Bhd. (Company No. 300969-V), a wholly-owned subsidiary of Johor Corporation
Deed of Assignment	:	The deed of assignment executed between BDDSB and KCPM, in escrow, in relation to the assignment of BDDSB's Subject Entitlement by BDDSB to KCPM
Facility Agent	:	Maybank IB
FGI Policy	:	Financial guarantee insurance policy of up to the maximum aggregate principal amount of RM300.0 million to be issued by Danajamin to the Trustee pursuant to a financial guarantee insurance facility to irrevocably and unconditionally guarantee the financial obligations of the Issuer with respect to the payment of the principal and one (1) coupon payment relating to the corresponding MTN guaranteed by Danajamin (the "**FGI Facility**")
First Supplemental Agreement	:	The supplemental agreement dated 31 January 2011 entered into by the Issuer, BDDSB and DASB
Foreign Jurisdiction	:	Any jurisdiction other than Malaysia

FYE	:	Financial year ended
Guarantee Facilities	:	Collectively, the BG Facility and the FGI Facility
Guaranteed MTN Programme	:	The guaranteed medium term notes programme of up to RM450.0 million in nominal value
Guarantors	:	Danajamin and MBB
Initial JV Agreement	:	The joint venture agreement dated 7 January 2009 entered into by the Issuer, BDDSB and DASB
Issuer	:	Impian Ekspresi Sdn. Bhd. (Company No. 513545-W)
JV Agreement	:	Collectively, the Initial JV Agreement, (ii) the First Supplemental Agreement, and (iii) the Second Supplemental Agreement
KCPM	:	Khuan Choo Property Management Sdn. Bhd. (Company No. 369218-X)
LPD	:	The latest practicable date, being 21 October 2013.
Maybank Group	:	MBB and its subsidiaries
Maybank IB	:	Maybank Investment Bank Berhad (Company No. 15938-H)
Maybank Islamic	:	Maybank Islamic Berhad (Company No. 787435-M)
Maybank Trustees	:	Maybank Trustees Berhad (Company No. 5004-P)
MBB	:	Malayan Banking Berhad (Company No. 3813-K)
MTN	:	Medium term notes issued pursuant to the Guaranteed MTN Programme
MTN(bg)	:	MTN which have the benefit of the BG
MTN(fg)	:	MTN which have the benefit of the FGI Policy
MRT	:	Mass Rapid Transit
Project	:	As defined in Section 1.5 below
"PBD Complex" or "Pusat Bandar Damansara Complex"	:	The duly completed nine (9) blocks of office and commercial buildings situated on the PBD Land, currently known as Pusat Bandar Damansara Kuala Lumpur with a total gross floor area of 3,051,350 square feet
PBD Land	:	The freehold land measuring approximately 38,740 square meters in land area held under Geran 61509 Lot No 54325, Mukim Kuala Lumpur, District of Kuala Lumpur
Principal Adviser/ Sole Lead Arranger/ Sole Lead Manager	:	Maybank IB, the principal adviser, sole lead arranger and sole lead manager under the Guaranteed MTN Programme

("PA/LA")

PTC	:	Principal Terms and Conditions of the Guaranteed MTN Programme as set out in Section 2 below
Put Option Agreement	:	The conditional put option agreement dated 10 May 2013 entered into by the Issuer and KCPM pursuant to which the Issuer granted to KCPM a put option over the Subject Entitlement
RAM	:	RAM Rating Services Berhad (Company No. 763588-T)
Ringgit, RM and MYR	:	The lawful currency of Malaysia
SC	:	Securities Commission Malaysia
Second Supplemental Agreement	:	The second supplemental agreement dated 10 May 2013 entered into by the Issuer, BDDSB and DASB
Series	:	Each issuance of MTN(fg) or MTN(bg), as the case may be, whether of similar or different tenures
Sold Parcels	:	All those twenty five (25) parcels of properties within the PBD Complex which have been sold to third parties
Solicitors	:	Messrs Rahmat Lim & Partners, being the legal adviser to the PA/LA and legal due diligence solicitors for the Guaranteed MTN Programme, legal adviser to Danajamin in respect of the FGI Facility and legal adviser to MBB in respect of the BG Facility
SPV	:	Special purpose vehicle
Subject Entitlement	:	BDDSB's rights, title, benefits and interest over the ownership of the 1st Office Space Entitlement, which is further varied pursuant to the Variation Agreement (as defined in Section 4.1.1 below), to comprise 186,667 square feet of office space in net lettable area within the Redeveloped PBD Complex (as defined in Section 4.1.1 below)
Trustee	:	Maybank Trustees
VSQ Properties	:	Collectively, one block of 20 storey corporate offices with a gross area of approximately 218,222 square feet, net lettable area of approximately 163,504 square feet inclusive of the entire ground floor of retail space and 964 car park lots
1st Office Space Entitlement	:	As defined in Section 4.1.1 below
2nd Office Space Entitlement	:	As defined in Section 4.1.1 below

1. EXECUTIVE SUMMARY

The following executive summary is qualified by and must be read and understood in conjunction with the full text of this Information Memorandum.

1.1 Background Information of the Issuer

The Issuer was incorporated in Malaysia under the Companies Act on 5 May 2000 as a private limited company. Its registered address is 6-2, Level 6 East Wing, Menara ING, No. 84, Jalan Raja Chulan, 50200 Kuala Lumpur. Its principal activity is property development.

The Issuer is a SPV which was set up to undertake the Project. The Issuer has entered into the JV Agreement with BDDSB and DASB to acquire the Pusat Bandar Damansara Complex (excluding the Sold Parcels) for this purpose.

The Issuer is indirectly controlled by Datuk Lim Siew Choon (the "**Project Sponsor**"). The Project Sponsor is the Executive Chairman and major shareholder of Malton Berhad, with a 37.9% indirect equity interest in Malton Berhad held via Malton Corporation Sdn. Bhd. as at LPD. He is also the Chairman and Non-Independent Executive Director of Pavilion REIT Management Sdn. Bhd., the manager of Pavilion Real Estate Investment Trust ("**Pavilion REIT**"). The Project Sponsor and his spouse are major unit-holders of Pavilion REIT. Both Malton Berhad and Pavilion REIT are listed on the Main Market of Bursa Securities.

1.2 Brief Description of the Guaranteed MTN Programme

All capitalised terms herein are defined under Section 2 (Principal Terms and Conditions of the Guaranteed MTN Programme).

The Issuer proposes to issue MTN pursuant to the Guaranteed MTN Programme which comprise the MTN(bg) and the MTN(fg).

The tenure of the Guaranteed MTN Programme is up to ten (10) years from the date of the first issuance of MTN under the Guaranteed MTN Programme. The tenure of the MTN is more than one (1) year and up to ten (10) years as the Issuer may select, provided that all the MTN shall mature prior to the expiry of the Guaranteed MTN Programme.

Maybank IB has been mandated by the Issuer to act as the PA/LA for the Guaranteed MTN Programme.

The detailed principal terms and conditions of the Guaranteed MTN Programme are set out in the PTC in Section 2 below.

1.3 Guarantee Facilities

The Guarantee Facilities of up to the aggregate maximum amount of RM450.0 million will be made available to the Issuer by each of the Guarantors on a several basis and shall be proportionate to their guarantee commitments as follows:

Guarantor	Type of MTN issued under the Guaranteed MTN Programme	Tenure of Guarantee	Guarantee Commitment (RM million)
MBB	MTN(bg)	7 years	Up to 150.0
Danajamin	MTN(fg)	10 years	Up to 300.0
	Total		**450.0**

Each Series of MTN under the Guaranteed MTN Programme shall be severally guaranteed by the respective Guarantor up to their respective guarantee commitments. The MTN(bg) will be solely guaranteed by MBB for an amount which is proportionate to MBB's guarantee commitment for such Series. The MTN(fg) will be solely guaranteed by Danajamin under the FGI Policy for an amount which is proportionate to Danajamin's guarantee commitment for such Series.

1.4 Utilisation of Proceeds

Proceeds raised from the first issuance of MTN under the Guaranteed MTN Programme will be used to part finance the cash portion of the consideration (the "**Cash Entitlement**") for the acquisition of the PBD Land including the PBD Complex but excluding the Sold Parcels and an area measuring approximately 1,231.25 square metres subject to compulsory acquisition under the Land Acquisition Act 1960 (the "**Subject Property**").

Proceeds from subsequent issuances of MTN will be utilised for general investments and/or to refinance any borrowings/financing of the Issuer.

1.5 Brief Information on the Project

Preliminary plans for the proposed integrated mixed property development project to be undertaken by the Issuer on the PBD Land (the "**Project**") entail the replacement of most of the existing PBD Complex structures with the following:

(a) refurbishment of two (2) existing blocks of office tower within the existing PBD Complex with a combined net area of approximately 267,000 square feet (each an "**Existing Block**");

(b) construction of four (4) new blocks of office towers with a combined net area of approximately 640,000 square feet (collectively with the Existing Blocks above to be known as the "**Office Towers**");

(c) construction of two (2) new blocks of residential towers with a combined net area of approximately 780,000 square feet (each a "**Residential Tower**"); and

(d) construction of a retail mall with a net lettable area of approximately 600,000 square feet (the "**Retail Mall**").

In its development plans, the Issuer has included a proposal to develop a new boutique hotel with a gross floor area of approximately 225,000 square feet (the "**Boutique Hotel**"). For avoidance of doubt, the Project described in this Information Memorandum excludes the

Boutique Hotel which may be undertaken upon completion of items 1.5 (a) to (d) described above or at a later stage.

The Project is expected to be implemented in phases over an estimated development and construction period of approximately six (6) years from time the Issuer takes possession of the Subject Property.

The Project has an estimated total gross development value of RM3.3 billion. The total gross development cost for the Project is estimated at approximately RM2.2 billion (inclusive of the cash consideration for the Subject Property).

The Issuer has secured syndicated term loan facilities of up to RM400.0 million from three banks to part finance the construction costs for the Project.

Further details of the Project are set out in Section 4.2 below.

1.6 SC's Authorisation

The Guaranteed MTN Programme was authorised by the SC on 16 October 2013 under the deemed approved application in view of the MTNs' long-term ratings of $AAA_{(bg)}$ and $AAA_{(fg)}$.

1.7 Credit Rating

The Guaranteed MTN Programme has been accorded long-term ratings of $AAA_{(bg)}$ in respect of the MTN(bg) and $AAA_{(fg)}$ in respect of the MTN(fg) by RAM.

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2. PRINCIPAL TERMS AND CONDITIONS OF THE GUARANTEED MTN PROGRAMME

2. Principal Terms and Conditions

(a) Names of parties involved in the proposal, where applicable

(i)	***Principal Adviser***	:	Maybank Investment Bank Berhad (Company No. 15938-H) ("**Maybank IB**")
(ii)	***Sole Lead Arranger***	:	Maybank IB (the "**LA**")
(iii)	***Co-Arranger***	:	Not applicable.
(iv)	***Solicitor***	:	Rahmat Lim & Partners
(v)	***Financial Adviser***	:	Maybank IB
(vi)	***Technical Adviser***	:	Not applicable.
(vii)	***Bond Trustee***	:	Maybank Trustees Berhad (Company No. 5004-P)
(viii)	***Guarantor***	:	Danajamin Nasional Berhad (Company No. 854686-K) ("**Danajamin**") and Malayan Banking Berhad (Company No. 3813-K) ("**MBB**" or "**BG Guarantor**"). The guarantee facilities comprising a financial guarantee insurance facility of up to a maximum nominal/principal amount of RM300.0 million and such amount equivalent to one coupon thereon granted by Danajamin (the "**FGI Facility**") and a bank guarantee facility of up to a maximum nominal/principal amount of RM150.0 million and such amount equivalent to one coupon thereon granted by MBB (the "**BG Facility**") (collectively known as the "**Guarantee Facilities**")are to be made available to the Issuer by each of the Guarantors. MTN (as defined hereinafter) guaranteed by the financial guarantee insurance policy issued pursuant to the FGI Facility (the "**FGI Policy**") shall hereinafter be referred to as "**MTN(fg)**". MTN guaranteed by the bank guarantee issued pursuant to the BG Facility (the "**BG**") shall hereinafter be referred to as "**MTN(bg)**".Each issuance of MTN(fg) or MTN(bg), as the case may be, whether of similar or different tenures, shall be known as a "Series".
(ix)	***Valuer***	:	Not applicable.
(x)	***Facility Agent***	:	Maybank IB
(xi)	***Primary Subscriber (under a***	:	To be determined prior to each issuance.

		bought-deal arrangement) and Amount Subscribed		
	(xii)	***Underwriter and Amount Underwritten***	:	To be determined prior to each issuance.
	(xiii)	***Central Depository***	:	Bank Negara Malaysia ("**BNM**")
	(xiv)	***Paying Agent***	:	BNM.
	(xv)	***Reporting Accountant***	:	Not applicable.
	(xvi)	***Calculation Agent***	:	Not applicable.
	(xvii)	***Others (please specify)***		
		Sole Lead Manager	:	Maybank IB
(b)	***Facility Description***		:	Guaranteed Medium Term Notes Programme (the "**Guaranteed MTN Programme**") for the issuance of guaranteed Medium Term Notes (the "**MTN**").
(c)	***Issue / Programme Size***		:	The aggregate outstanding nominal value of the MTN issued pursuant to the Guaranteed MTN Programme shall not exceed RM450.0 million at any point in time.
(d)	***Tenure of Issue / Debt Programme***		:	<u>Tenure of the Guaranteed MTN Programme</u> The tenure of the Guaranteed MTN Programme is up to ten (10) years from the date of the first issuance of the MTN under the Guaranteed MTN Programme. <u>Tenure of MTN</u> More than one (1) year and up to ten (10) years as the Issuer may select, provided that all the MTN shall mature prior to the expiry of the Guaranteed MTN Programme.
(e)	***Availability Period of Debt Programme***		:	The period commencing on the date the conditions precedent of the Guaranteed MTN Programme are fulfilled or waived (as the case may be), and ending on the expiry of the tenure of the Guaranteed MTN Programme, provided that the first issuance shall take place within two (2) years from the date of the Securities Commission Malaysia's (the "**SC**") approval.
(f)	***Interest / Coupon Rate***		:	To be determined prior to each issuance.
(g)	***Interest / Coupon Payment Frequency***		:	Semi-annually or such other period to be agreed upon between the Issuer and the Sole Lead Manager prior to each issuance of the MTN.
(h)	***Interest / Coupon Payment Basis***		:	Actual number of days / 365 days.
(i)	***Security / Collateral, where applicable***		:	Clean. However the Issuer's obligations under each Series of the MTN under the Guaranteed MTN Programme shall be severally guaranteed

by the BG or the FGI Policy, as the case may be, up to the respective guarantee commitments of the Guarantors.

(j)	***Details on Utilisation of Proceeds***	:	Proceeds raised from the first issuance of MTN under the Guaranteed MTN Programme will be used to part finance the cash portion of the consideration for the acquisition of the freehold land measuring 38,740 square meters in land area held under Geran 61509, Lot No. 54325, Mukim Kuala Lumpur, District of Kuala Lumpur including the duly completed nine blocks of office commercial buildings situated thereon currently known as Pusat Bandar Damansara Kuala Lumpur (the "**PBD Complex**") but excluding the 25 parcels of properties within the PBD Complex which have been sold to third parties and an area measuring approximately 1,231.25 square metres subject to compulsory acquisition under the Land Acquisition Act 1960. Proceeds from subsequent issuances of MTN will be utilised for general investments and/or to refinance any borrowings/financing of the Issuer.
(k)	***Sinking Fund and Designated Accounts, where applicable***	:	Not applicable.
(l)	***Rating***		
	• *Credit Rating Assigned and whether the rating is final or indicative*	:	The Guaranteed MTN Programme has been accorded an indicative long term rating of $AAA_{(bg)}$ in respect of the MTN(bg) and $AAA_{(fg)}$ in respect of the MTN(fg).
	• *Name of Credit Rating Agency*	:	RAM Rating Services Berhad (Company No. 763588-T) (the "**Credit Rating Agency**")
(m)	***Mode of Issue***	:	The MTN may be issued on a bought deal basis, direct placement on a best effort basis or book building on a best effort basis. The issuance of the MTN under the Guaranteed MTN Programme shall be in accordance with the MyClear Rules and Procedures (as defined below), subject to such exemptions (if any) granted from time to time.
(n)	***Selling Restriction, including Tradability (i.e. tradable or non-tradable)***	:	**<u>At the point of issuance</u>**: The MTN may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to subscribe for the MTN is made and to whom the MTN are issued would fall within Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)) of the Capital Markets and Services Act 2007 (the "**CMSA**"), as amended from time to time, read together with Schedule 9 (or

Section 257(3)) of the CMSA and which does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965.

After issuance:

The MTN may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the MTN would fall within Schedule 6 (or Section 229(1)(b)) of the CMSA read together with Schedule 9 (or Section 257(3)) of the CMSA and which does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965.

The MTN are tradable subject to the selling restrictions set out above.

(o)	***Listing Status and Types of Listing***	:	The MTN shall not be listed on Bursa Malaysia Securities Berhad ("**Bursa Securities**") or any other stock exchange. However, the MTN may be listed under the Exempt Regime (as defined in the Main Market Listing Requirements of Bursa Securities) of Bursa Securities.
(p)	***Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)***	:	Not applicable.
(q)	***Conditions Precedent***	:	**Conditions Precedent prior to first issuance**

Conditions precedent typical and customary for a facility of this nature including but not limited to and shall be in the form and substance acceptable to the LA:

Main Documentation

(a) The Transaction Documents (as defined herein) and all other relevant documents in form and substance satisfactory to the LA and the Solicitors, and such documents having been duly executed and, where applicable, stamped (unless otherwise exempted) and presented for registration (where applicable); and

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

Issuer

(a) Certified true copies of the Certificate of Incorporation and the Memorandum and

Articles of Association of the Issuer;

(b) Certified true copies of the latest Forms 24, 44 and 49 of the Issuer;

(c) A certified true copy of the board resolution of the Issuer authorising, among others, the issuance of the MTN and the execution of the relevant Transaction Documents under the Guaranteed MTN Programme to which the Issuer is a party;

(d) A list of the Issuer's authorised signatories and their respective specimen signatures;

(e) A report of the relevant company search of the Issuer; and

(f) A report of the relevant winding up search or the relevant statutory declaration of the Issuer confirming that the Issuer has not been wound up.

General

(a) Evidence that the approval from the SC in respect of the Guaranteed MTN Programme has been obtained;

(b) Written legal opinion from the Solicitors addressed to the LA confirming among others:-

i. the legality, validity and enforceability of the Transaction Documents; and

ii. all conditions precedents have been fulfilled or waived (as the case may be);

(c) Confirmation from the Credit Rating Agency that the Guaranteed MTN Programme has received the requisite ratings as stated in these principal terms and conditions;

(d) All transaction fees, costs and expenses in relation to the Guaranteed MTN Programme have been paid in full or an arrangement (acceptable to the LA) being agreed upon with the Issuer for the payment of such fees, costs and expenses; and

(e) Such other conditions precedent as may be advised by the Solicitors.

Conditions Precedent for each issuance of MTN

(a) Issuer's confirmation that it is in compliance with all Representations and Warranties and no Event of Default or potential Event of Default has occurred or is continuing; and

(b) Such other conditions precedent as may be advised by the Solicitors.

(r) Representations and Warranties : The representations and warranties typical and customary for a medium term notes programme of this nature including but not limited to:-

(a) The Issuer is duly established and validly existing under the laws of Malaysia and has the power and authority to enter into the business in which it is engaged, and to own its property and assets, and has full beneficial ownership of all its property and assets;

(b) The Issuer has the power to enter into, exercise its rights under and perform its obligations under the respective Transaction Documents;

(c) All necessary actions, authorisations and consents required to be performed by the Issuer under the Transaction Documents to which it is a party has been taken, fulfilled and obtained and remain in full force and effect;

(d) The Issuer's entry into, exercise of its rights under and performance of its obligations under the Transaction Documents to which it is a party does not and will not violate any existing law or any agreements to which it is a party or its memorandum and articles of association;

(e) The Issuer's latest audited accounts have been prepared in accordance with accounting principles and standards generally accepted in Malaysia and fairly represent the financial position of the Issuer as at such date;

(f) No event that would constitute a contravention of or default under the Transaction Documents to which the Issuer is a party has occurred and is continuing; and

(g) Any other representations and warranties which may be advised by the Solicitors.

(s) Events of Default : The events of default typical and customary for a medium term notes programme of this nature including but not limited to:-

(i) **Non-Payments:**

(1) the Issuer fails to pay any amount due from it under the MTN;

(2) the Issuer fails to pay any amount due from it under any of the Transaction Documents to which it is a party (other than under clause (i)(1)) on the due date or date of demand, if so payable;

(ii) **Other Breaches:**

the Issuer breaches any of its obligations or terms and conditions under any of the Transaction Documents to which it is a party (other than under clause (i)) which has a Material Adverse Effect and, if such breach in the reasonable opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after the Issuer became aware or having been notified by the Trustee of the breach, whichever is earlier;

(iii) **Misrepresentation:**

any representation, warranty or statement which is made by the Issuer in the Transaction Documents is or proves to be incorrect in any material respect or misleading which will in the reasonable opinion of the Trustee have a Material Adverse Effect;

(iv) **Invalidity:**

any provision of the Transaction Documents is or becomes, for any reason, invalid, illegal, void or unenforceable which would prevent the Issuer from or entitle the Issuer to refrain from performing any of its obligations thereunder;

(v) **Cessation of business:**

the Issuer ceases to carry on all or a substantial part of its business operations as carried out as at the date of the Trust Deed, which will in the reasonable opinion of the Trustee have a Material Adverse Effect;

(vi) **Appointment of receiver, legal process:**

an encumbrancer takes possession of, or a trustee, liquidator, receiver or similar officer is appointed in respect of, all or a substantial part of the business, assets or undertaking of the Issuer and is not paid out, withdrawn or discharged within thirty (30) days of such appointment, and which will have a Material Adverse Effect;

(vii) **Insolvency:**

the Issuer is unable to pay its debts within Section 218(2) of the Companies Act, 1965 and the Issuer has not taken any action in good faith to set aside such claims within twenty one (21) days from the date of service of such claims for payment;

(viii) **Winding-up:**

a resolution being passed or an order of court is made that the Issuer be wound up or similar proceedings which are reasonably determined by the Trustee to be analogous in effect being instituted (other than for the purposes of an intra Group reorganisation on a solvent basis or an amalgamation, merger or reconstruction the terms whereof have previously been approved by the Trustee unless during or following such reconstruction the Issuer becomes or is declared to be insolvent); or a bona fide petition (which for the avoidance of doubt, excludes a frivolous or vexatious petition) is presented for the winding-up or dissolution of the Issuer by an order of a court of competent jurisdiction unless such petition is stayed, withdrawn or dismissed within sixty (60) days (or such extended period as the Trustee may consent, such consent not to be unreasonably withheld) of its presentation. For purposes of these Principal Terms and Conditions, "**Group**" means the Issuer and its subsidiaries, if any;

(ix) **Section 176 of the Companies Act 1965:**

the Issuer undergoes any scheme of reconstruction, arrangement or compromise pursuant to Section 176 of the Companies Act 1965 or such scheme has been instituted against it;

(x) **Revocation of Licence, Authorisation and Approval:**

where there is a revocation, withholding, invalidation or modification of a licence, authorization or approval that impairs or prejudices the Issuer's ability to comply with the terms and conditions of the MTN or the provisions of the Transaction Documents;

(xi) <u>Assets:</u>

all or a material part of the property or assets of the Issuer shall be condemned, seized or otherwise appropriated, nationalised or compulsorily acquired by any person acting under the authority of any governmental body, which will in the reasonable opinion of the Trustee have a Material Adverse Effect;

(xii) <u>Composition:</u>

the Issuer makes a general assignment or enters into an arrangement or composition with or for the benefit of its creditors in respect of all or a material part of (or a particular type of) its indebtedness;

(xiii) <u>Repudiation:</u>

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

(xiv) <u>Cross Default:</u>

any indebtedness of any member of the Group for monies borrowed becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by any member of the Group in its obligations in respect of the same, or any member of the Group fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee or similar obligations of any member of the Group for any such indebtedness is not discharged at maturity or when called provided that no Event of Default under this clause (xiv) shall occur if the aggregate amount of indebtedness for monies borrowed is less than fifty per centum (50.0%) of the Group's total borrowed monies (including Islamic financing but excluding the MTN issued under the Guaranteed MTN Programme) or Ringgit Malaysia One Hundred Million (RM100.0 Million), whichever is the higher.

(xv) Judgment passed:

the Issuer fails to satisfy any judgment which has a Material Adverse Effect passed against it by any court of competent jurisdiction and no appeal against such judgment has been made to the appropriate appellate court within the time prescribed by law or such appeal has been dismissed;

(xvi) FGI Policy/BG:

Danajamin and/or MBB has served a notice on the Trustee to require the Trustee to make a demand or claim on the FGI Policy or BG respectively pursuant to and in accordance with the terms of the FGI Facility or BG Facility and the FGI Policy or BG;

(xvii) Events Relating to the Guarantors:

Occurrence of any of the following events:

(a) the FGI Policy and/or BG ceases to be, or is claimed by any of the Guarantors not to be, in full force and effect;

(b) it is or will become unlawful for any of the Guarantors to perform or comply with any one or more of its obligations under the FGI Policy and/or BG respectively;

(c) a resolution being passed or an order of court is made that any of the Guarantors be wound up or similar proceedings which are reasonably determined by the Trustee to be analogous in effect being instituted or a bona fide petition (which for the avoidance of doubt, excludes frivolous or vexatious petition) is presented for the winding-up or dissolution of any of the Guarantors by an order of a court of competent jurisdiction unless an application to stay, withdraw or dismiss such petition has been filed by the relevant Guarantor with the relevant authority within thirty (30) days of it presentation and such petition is stayed, withdrawn or dismissed within seventy five (75) days of its presentation;

(d) any of the Guarantors stops or threatens to stop payment in respect of monies borrowed or any guarantee (including any financial guarantee insurance policy and bank guarantee) by any of the Guarantors is not honoured when due and called upon or any indebtedness of any of the Guarantors for monies borrowed becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by any of the Guarantors in its obligations in respect of the same, provided that the aggregate amount of any of the Guarantors' obligations in respect of which one or more of the events set out herein has occurred equals or exceeds RM100.0 million;

(e) any of the Guarantors ceases to carry on its entire business operations;

(f) any of the Guarantors repudiates the FGI Policy and/or BG or does or causes to be done any act or thing evidencing an intention to repudiate the FGI Policy and/or BG;

(g) any of the Guarantors is unable to pay its debts within Section 218(2) of the Companies Act, 1965 and the relevant Guarantors has not taken any action in good faith to set aside such claims within twenty one (21) days from the date of service of such claims for payment.

Upon the occurrence of an Event of Default (other than item (xvi)), the Trustee may, or shall if directed to do so by the MTN holders pursuant to a special resolution, declare that an Event of Default has occurred in respect of the MTN, whereupon:

(1) all outstanding MTN under the Guaranteed MTN Programme shall become immediately due and payable; and

(2) the Trustee shall submit a claim on the BG and FGI Policy.

Upon the occurrence of the Events of Default referred to in item (xvi), the Trustee shall without the need to seek further instructions or directions from the MTN holders, declare that such Event of Default has occurred, whereupon:

(1) all outstanding MTN under the Guaranteed MTN Programme shall become immediately due and payable; and

(2) the Trustee shall submit a claim on the BG and FGI Policy.

(t) Covenants

(i) Information Covenants : Information covenants typical and customary for an issue of this nature including but not limited to:-

(a) The Issuer shall provide the Trustee at least on an annual basis within 180 days from the end of its financial year, a certificate confirming that it has complied with all its obligations under the Transaction Documents and the terms and conditions of the MTN and there does not exist or had not existed, from the date the MTN were issued, any Event of Default, and if such is not the case, to specify the same;

(b) The Issuer shall provide the Trustee any information which the Trustee may reasonably require in order to discharge its duties and obligations under the Trust Deed relating to the Issuer's affairs to the extent permitted by law;

(c) The Issuer shall deliver to the Trustee the following:

(i) Annual audited financial statements within 180 days from its financial year end, and such other information (financial or otherwise) as the Trustee may reasonably require from time to time;

(ii) Half-yearly unaudited financial statements / management accounts within 90 days from the end of each half-year;

(iii) Any other accounts, report, notice, statement or circular promptly after such document is issued to the shareholder; and

(iv) Promptly after receipt of such request by the Trustee, any other material information relating to its business, affairs and financial condition as may from time to time reasonably requested by the Trustee in order to discharge its duties and obligations as Trustee from time to time, to the extent permitted by law.

(d) The Issuer must make available the following information and documents to the targeted investors of the MTN throughout the availability period of the Guaranteed MTN Programme:

(i) the latest annual audited financial statements; and

(ii) announce through the Fully Automated System for Issuing/Tendering that the said annual audited financial statements have been made available and specify where investors can obtain a copy of the annual audited financial statements.

(ii) Positive Covenants : The Issuer shall provide covenants which are typical and customary for an issuance of this nature including but not limited to:-

(a) Perform all its obligations under and comply with all provisions of the Transaction Documents to which it is a party;

(b) Redeem or settle in full all outstanding MTN in accordance with the terms and conditions of the Guaranteed MTN Programme;

(c) Perform and carry out all its obligations under all the Transaction Documents (including but not limited to redeeming the MTN on the relevant maturity date(s) or any other date on which the MTN are due and payable) and ensure that it shall notify the Trustee in the event that the Issuer is unable to fulfill or comply with any of the provisions of the Transaction Documents;

(d) Obtain, preserve, keep in force and effect and promptly renew from time to time all licences, rights, authorisations, approvals, consents and exemptions, registrations, recordings, filings or notarisations which are required under the applicable law or regulation including those necessary for the Issuer to own its assets, the carrying out of the businesses of the Issuer or to ensure the validity, enforceability or priority of its liabilities and obligations or the rights of the Trustee, the MTN holders or any other party under the Transaction Documents and shall comply with the terms and conditions of the same;

(e) Preserve and maintain good and valid title to its properties and assets;

(f) Pay and discharge all taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (i) payment is being contested in good faith, and for which adequate reserves are being maintained for those taxes, or (ii) payment can be lawfully withheld;

(g) To the extent required by law, punctually pay and discharge all indebtedness payable by it;

(h) Utilise the issue proceeds for the purpose as represented herein;

(i) Appoint from time to time such auditor or firm of auditors duly licensed by its respective governing bodies;

(j) Ensure that the terms in any of the Transaction Documents do not contain any matter which is inconsistent with the provisions of the information memorandum issued in relation to the Guaranteed MTN Programme ("**Information Memorandum**");

(k) Acquire and maintain the necessary insurance policies;

(l) Execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the Trust Deed;

(m) Comply with all applicable and relevant laws and regulations (including but not limited to the CMSA, the Companies Act 1965 and all other relevant SC's guidelines) with regards to the Guaranteed MTN Programme and continue to comply with any conditions imposed by such regulatory bodies throughout the tenure of the Guaranteed MTN Programme;

(n) Exercise reasonable diligence in carrying out its business in a proper and efficient manner which should ensure, amongst others that all necessary approvals or relevant licenses are obtained;

(o) Notify the Trustee immediately in the event that the Issuer becomes aware of the following:

   (i) Any amount secured or payable under the MTN becomes immediately payable;

   (ii) Any circumstances that has occurred that would materially prejudice the Issuer, the Guarantors or the BG/FGI Policy;

   (iii) Any claims against it which could have a Material Adverse Effect (as defined herein) under the Transaction Documents to which it is a party and any action that the Issuer is taking in relation to such claims;

   (iv) Any change in the withholding tax position or taxing jurisdiction of the Issuer insofar as it affects the payment obligations of the Issuer under the Trust Deed;

   (v) Any take-overs, mergers, acquisitions and divestments undertaken by the Issuer which may affect its financial or liquidity position;

   (vi) Any Event of Default or that such other right or remedy under the terms, provisions and covenants of any of the Transaction Documents or the MTN have become immediately enforceable;

   (vii) Any substantial change in the nature of the business of the Issuer or the Guarantors;

   (viii) Any change in the Guarantors;

   (ix) Any cessation of liability of the Guarantors for the payment of the whole or part of the moneys for which it is liable under the BG Facility/FGI Facility;

   (x) Any change in the utilisation of proceeds of the MTN from that stated in the Transaction Documents and/or the Information Memorandum; and

   (xi) Any other matters that may materially prejudice the interest of the MTN holders.

(p) Maintain and keep proper books and accounts at all times in compliance with applicable statutory requirements and in accordance with generally accepted accounting principles in Malaysia and provide the Trustee and any person appointed by it, e.g. auditors, access to such books and accounts to the extent permitted by law;

(q) Maintain a paying agent in Malaysia and procure that the paying agent notifies the Trustee in the event the paying agent does not receive payment from the Issuer on the due dates as required under the Transaction Documents;

(r) Ensure that a credit rating is made available throughout the tenure of the Guaranteed MTN Programme, unless the rating is suspended or withdrawn by the Credit Rating Agency. In this regard, the Issuer must undertake to provide relevant information on a continuous basis to the Credit Rating Agency involved, in accordance with the format and frequency as agreed with the Credit Rating Agency, so that timely dissemination of relevant information and rating analysis can be made available to the investors of the MTN;

(s) Ensure that the rating report is published by the Credit Rating Agency as soon as the rating has been finalized, or at least seven (7) business days prior to the issuance of the MTN; and

(t) Such other covenants as may be advised by the Solicitors.

(iii) Negative Covenants *:* The Issuer without the prior written consent of the Trustee, shall not do any of the following, which shall include but not limited to:-

(a) Constitutional Document: add to, delete, vary, amend or substitute its memorandum and articles of association to be inconsistent with the provisions under the Transaction Documents;

(b) Dissolution: dissolve its affairs or consolidate with or merge with any other person or into another entity or otherwise, which would have a Material Adverse Effect;

(c) Surrender Rights etc: cancel, surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Transaction Documents (except as permitted under the Transaction Documents), which would have a Material Adverse Effect;

(d) Indebtedness: incur any further indebtedness for borrowed money whatsoever save and except for the MTN and the Secured Facilities.

For purposes of these Principal Terms and Conditions, "**Secured Facilities**" means collectively, the BG Facility, the FGI Facility, the term loan facilities of up to RM400.0 million and the bank guarantee facility of up to RM5.0 million, all of which to be obtained by the Issuer at or about the same time the Guaranteed MTN Programme is established;

(e) Security interest: create any security interest over all or any of its assets, business and/or undertakings save to facilitate the Secured Facilities;

(f) Financing: the Issuer shall not obtain or permit to exist any financings/loans or advances from its shareholders, unless these financings/loans and advances are subordinated to the Guaranteed MTN Programme;

(g) Share capital: reduce or in any way alter (except by way of an increase) its authorised and issued paid-up capital;

(h) No Change in Business: threaten to change, change or cause or permit to change the nature or scope of its existing business or operations or suspend its existing business operations, which would have a Material Adverse Effect;

(i) Licences: cancel, surrender, abandon or otherwise amend or permit to be cancelled, surrendered, abandoned or otherwise amended, any licences, grant, consents, approvals or authorisations in any way which would have a Material Adverse Effect, unless imposed by any applicable law or authorities;

(j) Related party transaction: Enter into a transaction whether directly or indirectly with interested persons unless such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons;

(k) Rating Requirement: Replace the Credit Rating Agency during the tenure of the Guaranteed MTN Programme unless the Issuer has obtained the approval of the MTN holders by way of a special resolution; and

(l) Others: Such other negative covenants as may be advised by the Solicitors.

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

(i) Buy-back	:	The Issuer may at any time purchase the MTN in the open market at the then market price or by private treaty, but these purchased MTN shall be cancelled and cannot be reissued or resold.
(ii) Early Redemption	:	Not applicable.

(v) Other Principal Terms and Conditions for the Issue

(1) BG/FGI Policy	:	The BG Guarantor shall issue the BG and Danajamin shall issue the FGI Policy respectively in favour of the Trustee, proportionate to their guarantee commitment under the BG Facility/FGI Facility, to guarantee the principal and one (1) coupon payment obligation of the Issuer under the MTN under the Guaranteed MTN Programme on a several basis (other than interest on late payment charges and charges in respect of the MTN/ Guaranteed MTN Programme). Multiple issuances of MTN may be made under the Guaranteed MTN Programme, comprising MTN(bg) and/or MTN(fg). Each BG/FGI Policy shall only allow for one (1) claim to be made against the Guarantors.
(2) Issue Price	:	The MTN shall be issued at par, at a premium or at a discount to be determined prior to the relevant issue date, and the issue price shall be calculated in accordance with MyClear Rules and Procedures (as defined herein), as amended or substituted from time to time.
(3) Issuance Conditions	:	The MTN will be issued subject to the FAST Rules and other standard conditions including but not limited to the following:- (i) compliance with the Conditions Precedent set out in clause 2 (q) above; (ii) receipt of the BG/FGI Policy in the agreed form; and

(iii) the issue notice shall be given to the Facility Agent at least seven (7) business days (in relation to the first issuance) and five (5) business days (in relation to subsequent issuances) prior to and excluding the date of the proposed issue.

(4) Status and Ranking : Obligations represented by the MTN under the Guaranteed MTN Programme shall constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer under Malaysian laws and shall at all times rank pari passu with all other present and future unsecured unsubordinated indebtedness or other obligations of the Issuer, except for indebtedness preferred by mandatory provision of law.

(5) Form and Denomination : The MTN shall be issued in accordance with:

(i) the "Participation and Operation Rules for Payment and Securities Services issued by Malaysian Electronic Clearing Corporation Sdn Bhd ("**MyClear**") (the "**MyClear Rules**"); and

(ii) the Operational Procedures for Securities Services issued by MyClear (the "**MyClear Procedures**"), or their replacement thereof (collectively the "**MyClear Rules and Procedures**") applicable from time to time.

Each issuance of MTN shall be represented by a global certificate to be deposited with BNM, and shall be exchanged for definitive bearer certificates only in certain limited circumstances.

The denomination of the MTN shall be RM1,000 or in multiples of RM1,000 at the time of issuance or such other denominations as may be mutually agreed between the Issuer and the LA.

(6) Claim Process /Claim Period : A demand on the BG/FGI Policy must be made no later than thirty (30) days from either:

(a) the expiry of the tenor of the MTN Programme; or

(b) the declaration of an Event of Default under the Trust Deed,

whichever is the earlier, failing which the Guarantors' liability under the BG/FGI Policy shall be discharged.

Only one (1) claim can be made on the BG/FGI Policy and the claim is capped to the amount as stated in the BG/FGI Policy (the "**Guaranteed Amount**") and the BG/FGI Policy shall cease to be valid upon payment of the Guaranteed Amount. Any demand on the BG/FGI Policy shall only take effect upon actual receipt of the demand in writing from the Beneficiary by the relevant Guarantor.

(7) Default Interest Rate : In the event of any overdue payment of any sums due under the Guaranteed MTN Programme, the Issuer shall pay default interest at the rate of 1% per annum above the applicable rate, which is the coupon rate(s) of such MTN, from the due date up to the date of actual receipt by the MTN holders.

(8) Material Adverse Effect : Means in relation to any event or circumstance, the occurrence or effect of which, has resulted in, or will be likely to result in a material adverse effect on:

(a) the assets, business, operations or condition (financial or otherwise) of the Issuer or the Guarantors, as the case may be; or

(b) the Issuer's ability to perform its obligations under any provisions of the Transaction Documents or the Guarantors' ability to perform their respective obligations under any provisions under the BG/FGI Policy, as the case may be;

(c) the legality, validity or enforceability of any of the Transaction Documents or the BG/FGI Policy; or

(d) the rights and remedies available to the Trustee or the MTN holders under any provision of the Transaction Documents,

and references herein and in the Transaction Documents to any event or circumstances which "has" or which "would have" a Material Adverse Effect shall be construed accordingly.

(9) Transaction Documents : The standard Transaction Documents for a medium term notes programme of this nature including but not limited to:

(i) Programme Agreement;

(ii) Trust Deed;

(iii) BG;

(iv) FGI Policy;

(v) Securities Lodgement Form; and

(vi) each Subscription Agreement

			(as amended from time to time) and any other agreements and documents as and when required and deemed necessary by the Solicitors and/or the LA or Facility Agent which shall reflect and incorporate conditions stated herein and other conditions, warranties, covenants, events of default and all relevant provisions under the Guaranteed MTN Programme.
(10)	***Trustee's Reimbursement Account for Bondholders' Actions***	*:*	The Issuer shall set up a "Trustees' Reimbursement Account for Bondholders' Actions" ("**Account**") with a sum of RM30,000.00 (which shall be maintained at all times throughout the tenure of the Guaranteed MTN Programme) from the proceeds received by the Issuer when the MTN are first issued. The Account shall be operated by the Trustee and the money shall only be used strictly by the Trustee in carrying out its duties in relation to the occurrence of an Event of Default.
(11)	***Other Conditions***	*:*	The MTN shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and/or BNM or their successors in title having jurisdiction over matters pertaining to the MTN, and the MyClear Rules and Procedures.
(12)	***Taxation***	*:*	All payments in respect of the MTN and the Transaction Documents by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any authority having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In such event, the Issuer shall pay additional amounts so that the full amount which otherwise would have been due and payable under the MTN is received by parties entitled thereto.
(13)	***Governing Laws and Jurisdiction***	*:*	Laws of Malaysia and the non-exclusive jurisdiction of the Courts of Malaysia.

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3. INFORMATION ON THE ISSUER

3.1 Background Information of the Issuer

The Issuer was incorporated in Malaysia under the Companies Act on 5 May 2000 as a private limited company. Its registered address is 6-2, Level 6 East Wing, Menara ING, No. 84, Jalan Raja Chulan, 50200 Kuala Lumpur. The Issuer is a SPV incorporated for the purpose of carrying out the Project.

The principal activity of the Issuer is property development.

3.2 Subsidiary and Associate Companies

As at LPD, the Issuer does not have any subsidiaries or associate companies.

3.3 Share Capital Structure

The authorised share capital and issued and paid up share capital of the Issuer as at LPD are summarised as follows:

Authorised Share Capital	RM25,000,000 divided into 25,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Capital	RM20,000,000 divided into 20,000,000 ordinary shares of RM1.00 each

Details of the Issuer's shareholders as at LPD are as follows:

Shareholder	Direct Shareholdings	
	No. of shares held	%
Ombak Mutiara Sdn. Bhd.	9,800,000	49
Anjurantau Sdn. Bhd.	10,200,000	51

3.4 Profile of the Board of Directors

The directors of the Issuer and their respective profiles as at LPD are as follows:

(i) **Ooi Ah Heong**
Director

Mr. Ooi Ah Heong (Malaysian) was appointed as a director of the Issuer on 8 March 2011. He is also the managing director of the Issuer. Mr. Ooi graduated with a Bachelor's Degree in Science (Building) from the University of Singapore. He is a member of the Royal Institute of Chartered Surveyors. Mr. Ooi has over 35 years of experience in the construction and development of real estate across South East Asia from Malaysia, Singapore, Thailand to Indonesia. In the late 1980's, he was the key driver in developing the Kerry Department Stores, Golden Screen Cinema Halls, and the development of their shopping malls which include the Leisure Mall, Cheras. He was also involved in the setting up of the Kerry Super Store in Beijing. He currently sits on the Board of Pavilion REIT, which is listed on the Main Market of Bursa Securities.

(ii) **Timothy Liew Thau Ee**
Director

Mr. Timothy Liew (Malaysian) was appointed as a director of the Issuer on 8 March 2011. Mr. Liew is the project director of the Project. He graduated from the University of Sussex with a Bachelor's Degree in Science (Structural Engineering). Mr. Liew is registered with the Board of Engineers of Malaysia as a professional engineer. He has over 30 years of experience in engineering consultancy, project management, property development and construction management. He was the Head of Construction of the IGB Corporation Berhad group of companies (the "**IGB Group**") and was instrumental in the construction of the Mid Valley Megamall, the Gardens and the commercial developments of the IGB Group within the vicinity of the two large suburban malls.

(iii) **Mej (B) Hj Zainal Bin Bador**
Director

Mej (B) Hj Zainal Bin Bador (Malaysian) was appointed as a director of the Issuer on 8 January 2009. He holds a Diploma in Golf Complex Operation and Management from the San Diego Golf Academy, United States of America and served in the Malaysian Armed forces with the last rank of 'Major' from 1970 to 1986. He subsequently held the position of Vice President of the Malaysia Professional Golfers Association (MPGA) from 1992 to 1999 and was the coach for the junior programme of TEAM SUKMA (Golf) for the Majlis Sukan Negeri, Negeri Sembilan from 2007 to 2008.

3.5 Financial Highlights

As the Issuer is a SPV, prior to the commencement of the Project, the Issuer's historical financial statements may not be relevant or meaningful to investors. Accordingly, the Issuer's financial statements have not been included in this Information Memorandum.

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4. INFORMATION ON THE PROJECT

4.1 Acquisition of Land and Buildings

4.1.1 Salient Terms of the Acquisition

The Project will be undertaken on the PBD Land at Damansara Heights measuring approximately 9.57 acres which the Issuer has contracted to acquire via the JV Agreement with BDDSB and DASB. The PBD Land will be acquired for the purposes of developing, redeveloping, constructing, refurbishing, managing, selling, granting leases and granting tenancies of the Subject Property.

Pursuant to the JV Agreement, the Issuer is required to pay to BDDSB a total of Ringgit Malaysia Five Hundred Million (RM500,000,000.00) in cash and deliver to BDDSB and/or its nominee:

(a) ownership of such amount of office space in the proposed redevelopment of the PBD Complex by the Issuer pursuant to the JV Agreement (the "**Redeveloped PBD Complex**") to a prevailing total market value of RM140.0 million as at the date of issuance of the certificate of completion and compliance relating thereto and to be based on a valuation report by a licensed and registered valuer (the "**1st Office Space Entitlement**"); and

(b) ownership of an additional 80,000 square feet in office space in the Redeveloped PBD Complex (the "**2nd Office Space Entitlement**").

It was also agreed that the 2nd Office Space Entitlement would be fixed at a notional total value of Ringgit Malaysia Sixty Million (RM60,000,000.00), which is equivalent to Ringgit Malaysia Seven Hundred and Fifty (RM750.00) per square foot, irrespective of the actual market value of that eighty thousand (80,000) square feet of office space.

The 1st Office Space Entitlement and the 2nd Office Space Entitlement shall be delivered by the Issuer to BDDSB and/or its nominee upon completion of the Redeveloped PBD Complex which shall be no later than five (5) years from the date the Issuer or its nominee shall be entitled to legal possession of the PBD Land, including the PBD Complex but excluding the Sold Parcels and an area measuring approximately 1,231.25 square metres subject to compulsory acquisition under the Land Acquisition Act 1960 (the "**Delivery Date**").

Pursuant to a conditional sale and purchase agreement dated 10 May 2013 entered into between KCPM and BDDSB, the parties agreed on the proposed acquisition of the Subject Entitlement by KCPM from BDDSB for the consideration of RM140.0 million (the "**Office Entitlement SPA**").

The Office Entitlement SPA is subject to the fulfilment of certain conditions precedent no later than six (6) months from the date of the Office Entitlement SPA which date may be varied by mutual agreement. It was agreed between the parties that the purchase price under the Office Entitlement SPA will be fully satisfied by KCPM to BDDSB when the absolute beneficial ownership of the VSQ Properties is vested unto BDDSB pursuant to the terms and conditions of the VSQ SPA (as defined below), which is a date coinciding with the unconditional date under the Office Entitlement SPA.

On 10 May 2013, BDDSB also entered into a conditional sale and purchase agreement with KCPM for the proposed disposal of the VSQ Properties by KCPM to BDDSB for a consideration of RM140.0 million (the "**VSQ SPA**"). The VSQ SPA is subject to the fulfilment of certain conditions precedent, no later than six (6) months from the date of the VSQ SPA.

Under the VSQ SPA, it was agreed between BDDSB and KCPM that the purchase price will be satisfied by BDDSB to KCPM by a written irrevocable absolute assignment of BDDSB's rights, title, benefits and interest over the Subject Entitlement, evidenced by the Deed of Assignment and duly consented by the Issuer.

Simultaneous with the execution of the Office Entitlement SPA and the VSQ SPA, the Deed of Assignment was executed by BDDSB and KCPM, with the consent of the Issuer duly endorsed thereto in escrow, and deposited with KCPM's solicitors as stakeholders. KCPM's solicitors are authorised to date the Deed of Assignment on the date when the VSQ SPA becomes unconditional.

Subsequently, pursuant to a Variation Agreement dated 10 May 2013 (the "**Variation Agreement**"), the parties agreed, amongst others:

(a) that the 1st Office Space Entitlement shall be varied to mean office space of net lettable area within the Redeveloped PBD Complex of One Hundred Eighty Six Thousand Six Hundred and Sixty Seven (186,667) square feet only and which KCPM and the Issuer have agreed as being equivalent to Ringgit Malaysia One Hundred Forty Million (RM140,000,000.00) in value irrespective of its actual prevailing market value; and

(b) if there is any variance in the varied 1st Office Space Entitlement delivered to KCPM, any excess or shortfall in the size shall be subject to an adjustment at the rate of Ringgit Malaysia Seven Hundred and Fifty (RM750.00) per square foot.

In addition, KCPM and the Issuer also entered into the Put Option Agreement in relation to the proposed granting of a conditional put option by the Issuer to KCPM to give KCPM the right to require the Issuer to acquire from KCPM all KCPM's rights, title, interest and benefits over the Subject Entitlement to be assigned to KCPM as varied by the Variation Agreement (the "**Put Option**") and subject to the terms and conditions of the Put Option. The Put Option is exercisable by KCPM commencing twelve (12) months from the date KCPM becomes the absolute unencumbered owner of the 1st Office Space Entitlement. The last date for the exercise of the Put Option by KCPM is the date of issuance of the Certificate of Practical Completion for the office spaces forming the 1st Office Space Entitlement. Upon exercise, the Put Option requires the Issuer to purchase from KCPM all of KCPM's rights, interest, title and benefits over the 1st Office Space Entitlement.

To summarise the above agreements, in addition to the Cash Entitlement, the Issuer is required to deliver to BDDSB the 2nd Office Space Entitlement by the Delivery Date and, subject to the fulfilment of the conditions precedent of the Office Entitlement SPA, the Issuer is also obliged to deliver the 1st Office Space Entitlement to KCPM by the Delivery Date, or if KCPM exercises the Put Option, pay KCPM cash in an amount ranging from RM825.00 per square foot to RM1,050.00 per square foot depending on when KCPM exercises the Put Option, or the value as determined by a registered valuer mutually agreed between KCPM and the Issuer, whichever is higher.

4.1.2 Current Status of the Acquisition

The Issuer has paid Ringgit Malaysia Fifty Million (RM50,000,000.00) as a deposit to BDDSB pursuant to the JV Agreement. The outstanding Cash Entitlement is proposed to be financed from the first issuance of MTN under the Guaranteed MTN Programme. The balance of Ringgit Malaysia Four Hundred and Fifty Million (RM450,000,000.00) must be paid by the Issuer to certain existing financiers of BDDSB and DASB (where applicable) and the balance to BDDSB's solicitors (as stakeholders) one (1) month from the date the Issuer and its financier have signed the relevant legal documentation in connection with the acquisition of the Subject Property provided that certain other conditions under the JV Agreement have been fulfilled.

4.2 Development Plans

Preliminary plans for the Project proposed to be undertaken by the Issuer comprise the following:

(a) refurbishment of two (2) Existing Blocks of seven (7) levels each;

(b) construction of four (4) new blocks of office towers of approximately twenty (20) levels each;

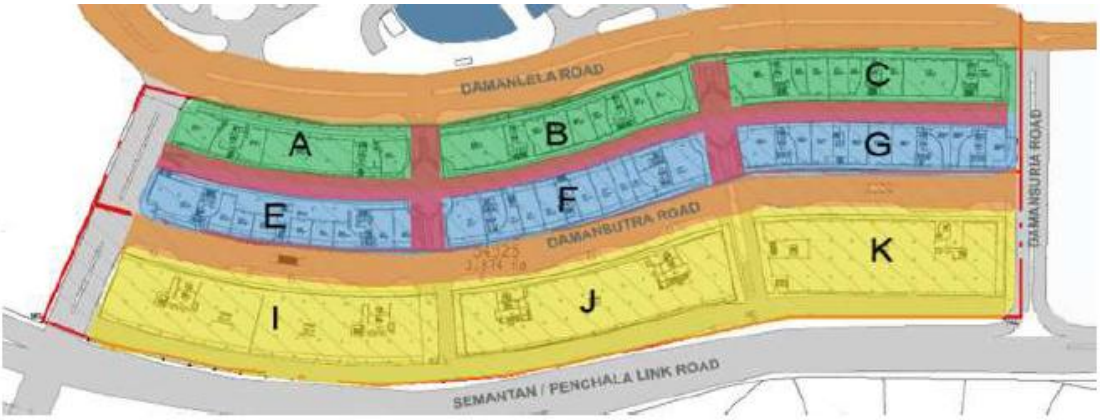
(c) construction of two (2) new Residential Towers of approximately forty (40) levels each; and

(d) construction of the Retail Mall comprising a street mall and a four (4) level shopping galleria.

The total built up area of the Project is expected to exceed two million square feet. The Issuer intends to sell the office and residential towers on an en bloc or stratified basis while the Retail Mall may be retained or sold in its entirety.

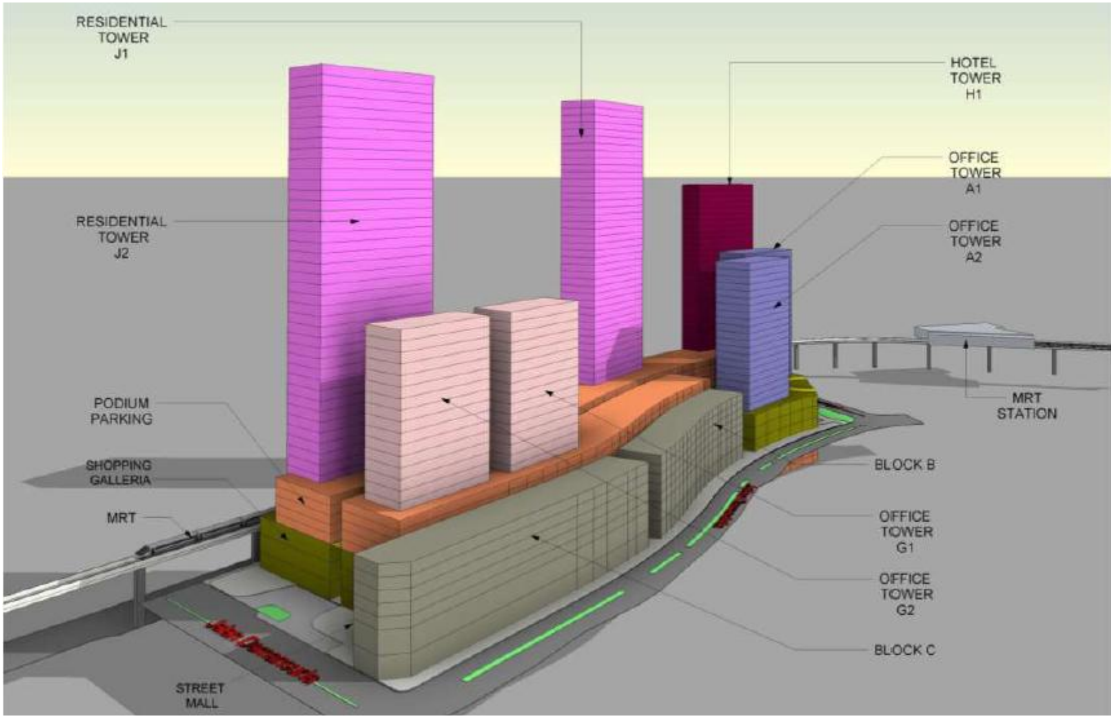
The intricate details of the development with regards to final built-up, floor plans or unit segregation have yet to be finalised, premised on the approvals from the relevant regulatory authorities and parties (where applicable). Although details for the final product are subject to change at this juncture, these changes are not likely to be material relative to the overall value of the Project.

Subject to approvals from the relevant regulatory authorities, the Issuer intends to commence the progressive demolition of seven (7) of the nine (9) existing office blocks at the existing PBD Complex during the third quarter of 2014. The demolition works is expected to be carried out over a two (2) year period.



Existing Layout of the PBD development

With Blocks B and C to be kept intact (and subsequently refurbished), Block A and Blocks E through K will undergo demolition to accommodate the retail, office, residential and hotel towers. The office and hotel towers will be located on the wing comprising Blocks A, G and I, whereas the two residential towers will be placed on the plots of Blocks J and K. The Retail Mall will serve as the foundation for these towers and encompass the plots of Blocks I, J, K, E and F. Below is an artist impression of the Project:



The Issuer targets to launch one of the office towers for sale during the third quarter of 2014, subject to obtaining relevant approvals. Construction of the Retail Mall is expected to commence towards the second quarter of 2016 with expected completion approximately three (3) years from commencement. The major refurbishment of the Existing Blocks is expected to commence in 2017, with completion targeted approximately twelve (12) months from the date of commencement. The preliminary plans on the timing of the commencement and completion of other phases of the Project have not been finalised to-date.

4.3 Marketability

i) <u>Office Towers</u>

The development sits atop the only available sizeable land at present within the Damansara Heights vicinity (with surrounding lands belonging to Selangor Properties Berhad) for an integrated development of this size. The proposed office towers are expected to draw demand from buyers of the middle to upper class population as well as young professionals. The primary attractions would be good infrastructure around the area offering accessibility in the forms of upcoming MRT stations as well as the synergistic presence of the proposed Retail Mall which serves well for daily requirements such as groceries, food and beverage outlets and lifestyle pursuits.

The office towers are expected to be sold on either an en-bloc basis or on a stratified basis as office suites (indicative floor plate for each office tower block ranges between 10,000 square feet and 12,000 square feet). At present, the indicative average selling price for the office towers are from approximately RM1,100 to RM1,200 psf. According to research by CB Richard Ellis (Malaysia) Sdn. Bhd. ("**CBRE**"), en-bloc commercial office buildings offered in townships within close proximity of Pusat Bandar Damansara (i.e. Kuala Lumpur City Centre, Mont Kiara, Bangsar and Mid Valley City) generally command higher rents and enjoy better occupancy rates than comparable stratified buildings, primarily owed to the higher grade built and modern specification of the floor area. At present, the existing supply of office space in Damansara Heights is fairly dated as approximately 90% of total supply was built prior to the year 2000.

Major transactions completed in Damansara Heights itself and those within close proximity based on CBRE's research are as follows:-

Buildings	Location	NLA (sf)	Average Consideration (RM'psf)	Year of Transaction
Tower 8, Horizon, Bangsar South	Bangsar South	100,000	938	2012
Tower 6, Horizon, Bangsar South	Bangsar South	100,000	1,022	2012
Tower 1, Horizon, Bangsar South	Bangsar South	231,000	750	2012
MBSB HQ	PJ Sentral Garden City	281,455	850	2012
Wisma Volkswagon	Jalan Bangsar	43,743	914	2010
Menara UOA Bangsar	Jalan Bangsar Utama	312,298	938	2010
Wisma UOA Damansara II	Jalan Changkat Semantan	296,850	710	2010
Glomac Damansara – Tower D	Off Jalan Damansara	254,000	672	2009

*Source: Market and Feasibility Study for the Proposed Mixed Development in Damansara Town Centre, Kuala Lumpur, June 2013, CBRE ("**CBRE Research**")*

ii) Retail Mall

The Retail Mall aims to harness a neighbouring mall concept offering food and beverage, wellness / health centres, beauty and specialised stores. Based on initial plans for the mall, the ground and first floors are likely to contain food and beverage outlets and conveniences such as a supermarket and pharmacies, while the remaining floors are likely to comprise boutiques, beauty outlets and spas, mini-anchor tenants and a lifestyle book store.

The mall concept takes into consideration today's trends towards lifestyle, retail and entertainment as well as appealing, in particular, to the younger consumers and affluent customers. The surrounding office and residential blocks are expected to form bulk of the patrons during the day, whilst the street-front food and beverage concept and supermarket would draw in consumers in the evenings.

A sample of rental rates for retail malls in the surrounding vicinity as at 1Q 2013 is as follows:

Name	NLA (sq ft)	Average Occupancy Rate	Prime Rental Rate (RM psf)
Bangsar Shopping Centre	322,000	96.8%	18.00 – 40.00
Hartamas Shopping Centre	260,000	94%	Avg 6.00
1MK	225,920	75.5%	Max 25.00
Publika Solaris Dutamas	335,000	90.5%	8.00 – 15.00
Bangsar Village	110,000	98.5%	23.00 – 25.00
Bangsar Village II	210,000	100.0%	23.00 – 25.00

Source: CBRE Research

From its research, CBRE anticipated that the future supply of retail developments within a five (5) km vicinity of Pusat Bandar Damansara is as follows:

Retail Projects	Expected Completion	Location	Net Floor Area (sq ft)
Damansara City Mall	2014	Damansara Heights	168,963
KL Eco City Retail Podium	2015	Bangsar	300,000
Mall @ KL Metropolis	N/A	Naza TTDI	1,200,000
Kiara 163	N/A	Mont Kiara	140,000

Source: CBRE Research

iii) Residential Towers

Based on the preliminary built-up plan, the Residential Towers, which ranges from 1,000 to 1,500 square feet per unit, aims to appeal to the young affluent population. The appeal to this target market lies in the 'live, work and play' metropolitan lifestyle amidst the prestigious identity of the location of the Residential Towers. The development is slated to contain typical facilities commonly found in current and up-coming residential high-rise, e.g. fitness amenities, convenience stores, tennis courts, swimming pool, etc.

According to CBRE Research, the asking price of existing completed residential supply in the immediate vicinity of Pusat Bandar Damansara ranges from just under RM800 per square foot to above the RM1,000 per square foot mark. The table below shows the average transacted price for selected condominiums in Bangsar and Damansara Heights between 2012 to 1Q 2013:

Condominium / Service Residence	Locality	Transacted Price (RM psf)
One Menerung	Bangsar	1,100
Bangsar Peak	Bangsar	850
D'9 Bangsar	Bangsar	800
Ken Bangsar Serviced Residence	Bangsar	996
Sri Bukit Persekutuan Highbank	Bangsar	889
Clearwater Residence	Damansara Heights	874
Twins@Damansara Heights	Damansara Heights	890

Source: CBRE Research

Based on CBRE Research, the sales rate for developments currently under construction are as follows:

Residential Development	Launch Date	Built-up	Developers / Launching Price (RM)	Sales Rate (%)
The Signature, Mont' Kiara	2012	421 – 1,014	994	80%
Verve Suites – Vox, Mont' Kiara	2010	462 – 1,395	950 – 1,500	94%
Verdana, North Kiara	2011	1,798 – 3,020	580	77%
Icon, Mont' Kiara	2011	683 – 2,343	1,094	70%
Concerto North Kiara	2012	1,587 – 2,196	650	Phase 1: 100%; Phase 2: 42%
Arcoris Soho & Residence, Mont' Kiara	2012	496 – 2,300	800 – 1,100	60%
Pavilion Hilltop, Mont' Kiara	n.a	1,200 – 2,700	900	70%
Serai Bukit Bandaraya, Bangsar	2012	4,025 – 6,900	1,300 – 1,500	50%
Damansara City	2011	938 Penthouse: 3,120 – 4,837	From 1,493	n.a
Kenny Hills Residence	n.a	3,627 – 6,738	827 – 1,038	80%
Arata of Tijani, Kenny Hills	2010	890 – 2,411	749 – 900	80%

Source: CBRE Research

4.4 Indicative Average Selling Price

Based on preliminary plans, the average indicative selling price for units in the Office Towers and Residential Towers are expected to be as follows:

Type	Indicative Average Selling Price
Office Towers units	Between Ringgit Malaysia One Thousand and One Hundred (RM1,100.00) per square foot and Ringgit Malaysia One Thousand and Two Hundred (RM1,200.00) per square foot
Residential Towers units	Ringgit Malaysia One Thousand and Three Hundred (RM1,300.00) per square foot

4.5 Issuer's Marketing Strategy for the Project

Location

The PBD Land is a piece of prime land nestled between the main highways connecting Kuala Lumpur and Petaling Jaya via the Sprint Highway. The land is located within close proximity of various affluent neighbourhoods such as Damansara Heights, Bukit Bandaraya, Bangsar, Taman Duta, Kenny Hills, Bukit Kiara, Sri Hartamas, Desa Hartamas, Mont Kiara, Bukit Persekutuan and Lake Gardens. This affluent residential enclave is known to house many senior management and high ranking corporate officials.

The Project enjoys one of the sought after addresses in the country as it is perceived by many as one of the more exclusive neighbourhoods in the Klang Valley. Due to the scarcity of land in Damansara Heights, as well as the exclusive character of the neighbourhood, the Project is likely to represent one of the few opportunities for high-rise residential development in Damansara Heights.

There is presently limited supply of high-rise condominiums compared to some of the surrounding areas which potentially accords a competitive edge for the Project. The Issuer's residential offerings allow the upper middle income group to own a home in Damansara Heights at a likely more affordable price compared to landed properties in the same area.

Damansara Heights has also been an established decentralised office address in Kuala Lumpur and the existing commercial buildings have succeeded in attracting prominent tenants despite their age, including Shell, Hewlett-Packard, CIMB Bank, Chevron, Ernst & Young, Ogilvy & Mather and Philip Morris. The proposed redevelopment of Pusat Bandar Damansara, when combined with the existing offices in the vicinity and anticipated plans of other property developers for the remaining sites within Pusat Bandar Damansara, aims to become a 50-acre commercial hub of significance similar to that of KL Sentral or Mid Valley City. It is also a mere six (6) kilometres from the main commercial and business district of Kuala Lumpur city centre ("**CBD**") where office dwellers can easily connect to the CBD via road or rail but do not have to experience the daily traffic congestion within the CBD itself. The Issuer also intends to obtain green accreditation in respect of the four new office towers to be constructed pursuant to the Project.

The Project's excellent exposure and visibility along the busy SPRINT highway, Jalan Semantan and Jalan Beringin provides potential owners of the Office Towers with high branding and advertising value. Office Tower en bloc buyers will enjoy visible branding, given naming rights to that tower. Alternatively, wall space can be rented out as billboard advertising space to earn rental income.

Integrated Development with Good Connectivity

The Project is located in a prime area reachable via the SPRINT Highway, Jalan Beringin and Jalan Maarof. A further extensive road network consisting Jalan Kuching, Damansara Puchong Highway, North Klang Valley Expressway and Duta-Ulu Klang Expressway is accessible via the SPRINT Highway. Regular bus and taxi services are currently in existence due to the commercial nature of the surrounding area, which comprises Plaza Damansara and the office blocks lining Jalan Semantan.

Most notably, the Project will benefit from the connectivity that will be offered by the proposed construction of two MRT stations, namely the “Semantan” and the “Pusat Bandar Damansara” MRT stations, within close proximity to the PBD Land. The stations will cater the Circle Line which serves Petaling Jaya to Kuala Lumpur City Centre. The entire fifty-one (51) km Sungai Buloh-Kajang MRT line is expected to be fully operational in 2017 (*Source: Everything on track, with no major cost overrun, 11 October 2013, The Sun Daily*).

Historically, existing integrated projects which combine office, residence and retail outlets have enjoyed good demand, e.g. Mid Valley City, KL Sentral and Pavilion. Potential buyers seem attracted to the convenience offered by such integrated projects where stand-alone office or residential developments lack. The Project looks to tap into this buyer preference which represents one of the key contributing factors to its marketability. Drawing parallels to the residential units in KL Sentral where the rail service is at one’s door step, the close proximity of the upcoming MRT stations is likely to be used as a key selling point with potential buyers.

Pavilion Branding

Recent property projects by related companies of the Project Sponsor such as the Banyan

Tree Signatures Pavilion Kuala Lumpur and Pavilion Hilltop Mont Kiara have been well received by the market. The Issuer attributes one of the key success factors of the Project to the "Pavilion branding" which is often associated with quality high-end and niche product offerings. The "Pavilion branding" also has a loyal following of discerning customers. The Issuer believes that consumer confidence that past purchasers place in the Pavilion branding will thus serve as a contributing factor to the success of sales for the Project.

Synergistic Integration of the Retail Mall

The catchment area for the proposed Retail Mall is in a mature and affluent neighbourhood which is primarily populated by the upper middle class. Similar to Suria KLCC and Mid Valley Megamall, the Issuer expects the Retail Mall to serve the office population in the vicinity on weekdays while servicing the neighbourhood crowd on weekends.

Consumer spending is expected to grow in tandem with economic growth (further elaborated in Section 5.1), increased tourist flow, sales seasons as well as pent up consumer spending. Consistently low unemployment rate, rising disposable income and a strong tourism industry remains the key drivers to retail growth in the Klang Valley. The support from the growing affluent population and good accessibility in the catchment area will also serve well to ensure sustainability of prime retail centres.

Established track record and experience of the Project Sponsor

The Project Sponsor has more than 30 years of experience in property development, construction, retail design, retail development as well as corporate management. He is also the major unit holder of Pavilion REIT, one of the largest retail concentrated REIT nationwide, that owns the prominent award-winning Pavilion Kuala Lumpur. The Pavilion REIT is managed by Pavilion REIT Management Sdn. Bhd., of which he serves as the Chairman and Non-Independent Executive Director.

He is also currently the Executive Chairman and board member of Malton Berhad, a company listed on Bursa Securities. Through Malton Berhad and other companies which he is the controlling shareholder, he has an established track record in gated residential property developments, mixed commercial development centres, and lifestyle condominiums. Malton Berhad was also the contractor for the Pavilion Kuala Lumpur project, which consist of the mall, two luxury apartment towers and an office building.

The familiarity of the board of directors of the Issuer and the management team of the Project with developments of this scale will contribute significantly to the success of the Project, simultaneously reducing construction and completion risk.

4.6 Profile of Management Team of the Project

As at LPD, the management team of the Project and their respective profiles are as follows:

(i) Ooi Ah Heong
Director of the Issuer

Please refer to Mr. Ooi's profile in paragraph 3.4 (i) above.

(ii) Timothy Liew Thau Ee

Project Director of the Project

Please refer to Mr. Liew's profile in paragraph 3.4 (ii) above.

(iii) Lee Whay Hoong

Finance Director of the Project

Mr. Lee (Malaysian) is the Finance Director of the Project. He holds an MBA from the North Texas State University and a BSc (Hons) and Bachelor's Degree in Chemistry from University of Malaya. He has over twenty (20) years of experience in corporate banking and real estate investment and financing. Having left the banking industry seven (7) years ago, Mr. Lee has been involved in real estate and property developments projects that are undertaken by companies of the Project Sponsor. He currently oversees the financial and business development aspects of several on-going and prominent development projects undertaken by the Project Sponsor in the Klang Valley.

(iv) Ms. Tracey Lai

Director of Sales and Marketing of the Project

Ms. Tracey Lai (Malaysian) is the Director of Sales and Marketing of the Project. She holds a Bachelor's Degree in Economics from Monash University, Melbourne, Australia. Ms. Lai has over fifteen (15) years of experience in the property sector. She was previously the Head of Marketing and Sales with the Goldhill Group of Companies. She has been with the Pavilion group for about eight (8) years and was the Marketing Director for the Pavilion Residences project. Ms. Lai's current notable projects include the Banyan Tree Signatures Pavilion Kuala Lumpur and the Pavilion Hilltop, Mont' Kiara.

(v) Ms. Susan Low

Director of Retail Development of the Project

Ms. Susan Low (Malaysian) is the Director of Retail Development of the Project. She holds a Bachelor of Arts (Hons) Degree from the University of Malaya. Ms. Low was instrumental in the establishment of the departmental store chain, Yaohan Malaysia and the operational support of Metrojaya, as well as a Retail Consultancy and Advisory Firm providing services ranging from retail planning and development, brand development, marketing strategies, retail management and operations. She was involved in the launch of the Gardens Mall in Mid Valley City. Ms. Low's current notable retail projects include retail planning, development and leasing for the Da:Men USJ.

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5. INDUSTRY OUTLOOK

5.1 Malaysian Economic Outlook

Overview

The global economy continued to experience modest growth in the second quarter of 2013. The United States of America ("**US**") economy expanded at a moderate pace, while economic activity in the euro area remained weak amid austerity measures and on-going sovereign debt concerns. In Asia, growth of several economies moderated in the second quarter, as the prolonged weakness in the external environment had begun to affect domestic economic activity, particularly in the more open economies. While domestic demand in the Malaysian economy has remained strong, the overall growth performance was affected by the weak external sector. In the second quarter, the Malaysian economy expanded by 4.3% (1Q 2013: 4.1%). While domestic demand remained firm, growing by 7.3% (1Q 2013: 8.2%), exports registered a larger decline, amid weakness across most export products. On the supply side, the major economic sectors expanded further in the second quarter, supported by the continued strength in domestic demand. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.4% (1Q 2013: -0.4%).

Private consumption expanded by 7.2%, supported by stable employment conditions and sustained wage growth in the domestic-oriented sectors. Public consumption growth improved to 11.1% (1Q 2013: 0.1%), reflecting mainly higher Government spending on supplies and services, and sustained spending on emoluments.

Gross fixed capital formation continued to expand (6%; 1Q 2013: 13.1%), reinforced by private sector capital spending. Private investment grew by 12.7%, supported by capital spending in the consumer-related services sub-sectors, the on-going implementation of infrastructure projects and capacity expansion in the oil and gas sector. Meanwhile, public investment declined by 6.4% (1Q 2013: 17.3%). Continued expansion in capital spending by public enterprises, particularly in the oil and gas, telecommunications and utilities sectors, was outweighed by lower Federal Government development expenditure.

On the supply side, the services and manufacturing sectors continued to expand, driven largely by sub-sectors catering to the domestic market. Growth of the mining sector rebounded following higher production of both natural gas and crude oil. However, the agriculture sector moderated, weighed down by a sharp reduction in natural rubber output and slower growth in crude palm oil production. In the construction sector, growth remained firm, led by the civil engineering and residential sub-sectors.

The headline inflation rate, as measured by the annual change in the Consumer Price Index ("**CPI**"), was higher at 1.8% in the second quarter (1Q 2013: 1.5%), attributable mainly to price increases in the food and non-alcoholic beverages and housing, water, electricity, gas, and other fuels categories.

In the external sector, the current account amounted to RM2.6 billion in the second quarter, equivalent to 1.1% of gross national income, due to a lower goods surplus, as well as sustained services deficit and outflows in the income accounts. The financial account recorded a net inflow of RM5.2 billion (1Q 2013: RM1 billion), largely reflecting banking inflows amid sustained direct investment by foreign multinational corporations. During the quarter, Malaysian residents continued to build direct investment and portfolio assets abroad. The overall balance of payments registered a surplus of RM1.5 billion (1Q 2013: RM4 billion).

The international reserves of Bank Negara Malaysia amounted to RM432.8 billion (equivalent to USD136.1 billion) as at 28 June 2013. This reserves level has taken into account the quarterly adjustment for foreign exchange revaluation changes. As at 31 July 2013, the reserves position amounted to RM438.3 billion (equivalent to USD137.8 billion), sufficient to finance 9.7 months of retained imports and is 3.8 times the short-term external debt.

The Overnight Policy Rate ("**OPR**") was maintained at 3.00% during the second quarter. At the prevailing level of the OPR, monetary conditions remain supportive of economic activity. Reflecting the unchanged OPR, the average interbank rate of all maturities was relatively stable. In terms of retail interest rates, the average quoted fixed deposit rates of commercial banks were relatively unchanged. The average base lending rate of commercial banks remained unchanged at 6.53%, while the weighted average lending rate on loans outstanding continued its gradual moderating trend (end-June 2013: 5.42%; end-March 2013: 5.50%).

Total gross financing raised by the private sector through the banking system and the capital market amounted to RM250.6 billion in the second quarter (1Q 2013: RM244.8 billion).

Banking system loans outstanding expanded at an annual growth rate of 9.1% as at end-June (end-March 2013: 10.6%), while net funds raised in the capital market had moderated to RM13.9 billion in the second quarter (1Q 2013: RM16.7 billion).

The monetary aggregates continued to experience positive growth during the second quarter. M1, or narrow money, increased by RM4.9 billion. On an annual basis, M1 expanded by 12.5% as at end-June (end- March: 12.7%). M3, or broad money, increased by RM23.3 billion on a quarter-on-quarter basis to record an annual growth rate of 8.5% as at end-June (end-March: 9.1%). The expansion of M3 was mainly on account of net disbursements of loans by the banking system to the private sector.

The ringgit strengthened against most regional and major currencies earlier in the quarter as the announcement of further monetary easing in Japan led to increased investor interest towards regional financial assets and contributed to the strengthening of regional currencies. The ringgit also strengthened following the conclusion of the General Elections in Malaysia. Nevertheless, the discussions on the possible scale back of the quantitative easing ("**QE**") in the US and the concerns over People's Republic of China's growth trajectory in the latter part of the quarter led to a reversal in the flow of funds in the regional financial markets. During the quarter, the ringgit depreciated by 2.8% against the US dollar. The ringgit also depreciated against the euro (-4.6%) and pound sterling (-3.2%), but appreciated against the Japanese yen (2.0%). The ringgit had a mixed performance against regional currencies.

Between 1 July and 20 August 2013, the ringgit further depreciated against the US dollar by 3.7%. The ringgit also depreciated against the pound sterling (-6.0%), euro (-5.7%) and Japanese yen (-4.9%). Against regional currencies, the ringgit strengthened against the Indonesian rupiah (1.9%), but depreciated against other currencies by between -2.1% and -5.5%.

The domestic financial system remained resilient throughout the second quarter amid episodes of higher volatility in the global and domestic financial markets. Domestic financial intermediation continued to be well-supported by sound financial institutions, orderly financial market conditions and sustained confidence in the financial system.

The banking system remained well-capitalised, with the common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio remaining well above the Basel III requirements at 11.7%, 12.6% and 13.8%, respectively. Similarly, the capital adequacy ratio of the insurance sector remained strong at 220.8% (1Q 2013: 221.6%), with an excess capital buffer of more than RM20 billion.

Going forward, the global economy continues to face downside risks, emanating from developments in several major economies.

Policy uncertainty surrounding the QE programme in the US and European sovereign debt concerns are expected to weigh on market sentiment and growth prospects. While overall growth performance in most emerging economies, including in Asia, will be affected by these developments, domestic demand will continue to support the overall growth performance. The growth prospects are also being augmented by targeted policy measures.

For the Malaysian economy, the prolonged weakness in the external environment has affected the overall growth performance of the economy going forward. While domestic demand is expected to remain firm, supported by sustained private consumption, capital spending in the domestic-oriented industries and the on-going implementation of infrastructure projects, the weak external sector in the first half of this year will affect our overall growth performance for the year. The overall growth of the economy for this year has now been revised to 4.5 - 5.0%. Going forward, domestic demand is expected to remain on its steady growth trajectory and will continue to be supported by an accommodative monetary policy.

(*Source: Bank Negara Malaysia Quarterly Bulletin (Second Quarter 2013)*)

Outlook

The Malaysian economy is expected to strengthen further and projected to grow at a faster rate of 4.5% to 5.5% in 2013. Growth will be supported by improving exports and strong domestic demand on the assumption that global growth will pick up, especially during the second half of 2013. The growth projection is premised upon the expectation of an improvement in the resolution of the debt crisis in the euro area and stronger growth momentum in the economies of Malaysia's major trading partners. Domestic demand is expected to maintain its strong momentum driven by robust private investment and strong private consumption. Private sector activity will be supported by an accommodative monetary policy in an environment of low inflation coupled with a robust financial sector. Recovery in the external sector, particularly increasing external demand from regional economies and major trading partners will further provide the impetus for a private-led growth. The overall public expenditure is expected to increase, led by higher non-financial public enterprises' capital investment which will further augment growth. Thus, nominal gross national income per capita is expected to increase 6.4% to RM32,947 (2012: 4.4%; RM30,956). In terms of purchasing power parity, per capita income is expected to grow 4.4% to reach USD16,368 (2012: 3.2%; USD15,676).

Given that domestic economic activity is expected to strengthen further in 2013, inflation is estimated to increase moderately, partly mitigated by further capacity expansion in the economy. The key supply side factors that will influence inflation, namely prices of energy and food commodities are expected to ease during the first half of 2013, but are likely to trend up during the second half on the assumption that global growth continues to pick up pace. Hence, for 2013, the average inflation rate is estimated to be between 2% and 3%.

On the supply side, growth in 2013 is expected to be broad-based supported by expansion in all sectors of the economy. Of significance, external trade-related industries are envisaged to benefit from stronger global growth, particularly during the second half of 2013. The services and manufacturing sectors are expected to contribute 4.2 percentage points to the gross domestic product growth. Growth in the manufacturing sector is expected to strengthen in tandem with the recovery in electrical and electronics demand from the US and euro area. The services sector is expected to benefit from the recovery in external trade-related activities while strong domestic economic activity will provide further impetus for wholesale and retail trade, and financial activities to grow. The agriculture sector is envisaged to turn around with improved output of plantation commodities while the mining sector is expected to expand with higher crude oil output. Likewise, the construction sector is expected to register a double-digit growth as the implementation of major construction-related Economic Transformation Programme ("**ETP**") projects accelerates.

The construction sector is envisaged to expand strongly by 11.2% (2012: 15.5%), with all subsectors registering steady growth. The sector is expected to benefit from the acceleration of on-going construction activities, particularly from the ETP and second rolling plan construction-related projects. Of significance, exploration activities in oil and gas industries and major projects such as the electrified double-tracking between Ipoh — Padang Besar, East Coast Expressway Phase 2 Jabur — Kuala Terengganu, MRT and the River of Life are expected to drive the growth of the civil engineering subsector. The non-residential subsector is expected to expand spurred by the industrial building segment and the commencement of construction of the Tun Razak Exchange ("**TRX**"). The residential subsector is also projected to expand, albeit at a moderate pace, after recording several years of strong growth. Key housing development projects, particularly in Sungai Buloh and Bandar Malaysia in Sungai Besi, which are expected to commence in 2013, will support residential construction activities.

Domestic demand, which is expected to grow 5.6% (2012: 9.4%), will remain the main driver of growth in 2013 underpinned by strong private sector expenditure. Private consumption is projected to expand 5.7% (2012: 7%) on account of higher disposable income arising from better employment outlook, firm commodity prices and the wealth effect from the stable performance of the stock market following strong domestic economic activities. In addition, the expected completion of major projects under the ETP, Tenth Malaysia Plan and the five growth corridors will spur high-value job creation and raise living standards. Hence, increasing net disposable income will contribute to higher consumption spending.

(*Source: Ministry of Finance Malaysia Economic Report 2012/2013*)

5.2 Malaysian Property Sector 2012

Residential Property

The residential sub-sector continued to spearhead the property market activities, taking up 63.8% share and 47.4% of the transaction value. The year registered 272,669 residential property transactions worth RM67.76 billion with recorded growth of 1.1% and 9.6% respectively. As at Q4 2012, the All House Price Index increased to 175.3 points against 161.9 points registered in Q4 2011.

Market segments by price indicated a changing scenario. The year saw transactions of lower price range softened. Versus last year, transactions of houses within the price range of RM25,000 to RM150,000 declined between 3.5% and 8.3%. Similarly, transaction of houses in the price bracket of RM200,000 to RM250,000 dipped by 2.5%. Houses priced between RM250,000 and RM500,000 were the most active, capturing the largest share with 18.2% (49,515 transactions). Against last year the volume of transaction grew by 16.4% (2011: 44,215 transactions). On a similar upward trend, for the past four consecutive years, the demand for high-end units priced above RM500,000 continued to expand to 26,484 transactions (2008: 11,266 transactions; 2009: 12,121 transactions; 2010: 16,782 transactions; 2011: 21,905 transactions).

In the primary market, new launches expanded amid softening in the Malaysian and worldwide economic. The year recorded 57,162 units of new launches into the market (2011: 49,290 units) and sales performance increased to 47.7% (2011: 46.3%). Kuala Lumpur, Selangor, Johor and Perak were the main contributors. Collectively, these states offered 62.1% (35,498 units) of the nations' total new launches. Six states registered performance above the national average. Kuala Lumpur led with 59.5% sales performance and trailed by Pulau Pinang (56.4%), Melaka (50.7%), Kelantan (49.9%) as well as Negeri Sembilan and Selangor, both at 49.2%. By type, terraced units formed 39.7% (22,717 units) of newly-launched houses, comprising 8,466 single storey terraces and 14,251 units two to three storey terraces. Of the total terraced units launched, 10,537 units were taken up, registering an overall take-up rate of 46.4%. Condominium and apartment units made up 38.9% (22,205 units) of total launches, and registered a sales performance of 55.1%.

In tandem with the improved primary market, the residential overhang scenario strengthened with reduction in volume and value. The overhang volume reduced from 19,607 units to 15,091 units, down substantially by 23.0%. Whilst value dropped moderately by 3.5% to RM4.74 billion (2011: RM4.92 billion). The year recorded two overhang-free states viz. Putrajaya and Labuan. With the exception of Selangor and Kedah which showed increment, other states posted lower overhang numbers against last year. Johor retained the highest number of overhang in the country. Nevertheless, the number has reduced significantly by 31.2% (2011: 5,165 units; 2012: 3,552 units) in terms of volume and 28.0% (2011: RM919.74 million; 2012: RM662.43 million) in value. For the unsold under construction category, Selangor led with 9,574 units, increased by 40.4% (2011: 6,820 units) and trailed by Johor with 9,241 units, increased by 33.7% (6,910 units). For the unsold not constructed category, Negeri Sembilan topped with 2,931 units and followed by Johor with 2,784 units. By price range, 32.0% (4,828 units) of the overhang units were in the price range of RM50,000-RM100,000. Around 70.7% (3,413 units) of the units were flats and single-storey terraces. By type, condominium/ apartment units were predominant in the overhang category with 21.1% (3,186 units) of the total. Close to 40.0% (1,252 units) of the condominium/apartment were in the price range of more than RM1.0 million and more than 50.0% (685 units) were in Kuala Lumpur. For the unsold under construction category, terraces form the bulk with 35.3% (17,837 units) whilst condominium/ apartment formed 25.0% (12,651 units) of the category. In the unsold not constructed category, detached houses dominated with 25.0% (3,124 units) contribution to the total.

On the supply front residential units completions increased by 9.6% (2012: 72,195 units; 2011: 65,866 units). Starts construction increased by 19.7% (2012: 138,301 units; 2011: 115,578 units). Likewise, new planned supply grew by 20.3% to 141,956 units (2011: 118,025 units). By state, Selangor spearheaded in all the three categories. The state recorded 19,027 units of completion, 36,009 units of starts and 32,816 units of new planned supply, contributing 26.4%, 26.0% and 23.1% to the total respective category. Pulau Pinang recorded big jump in completions from 4,212 units last year to 9,371 units in the review period. On similar note, Perlis increased from 259 units to 680 units. As for construction starts, Johor and Perak were the next leading states, making up 15.1% (20,921 units) and 8.4% (11,557 units) respectively. As at year end 2012, there were 4.62 million existing residential units with another 619,950 units in the incoming supply and 599,715 units in the planned supply.

Shopping Complex

The performance of shopping complexes slipped slightly in the review period. Against 2011, the annual take-up though remained positive, but dropped by 44.4% (2012: 341,714 square metres ("**s.m.**"), 2011: 614,388 s.m). The national occupancy rate dropped slightly to 79.1% (2011: 79.5%). Nine states indicated better performance, six states on adverse and one unchanged.

As at year-end 2012, the country had 12.07 million s.m. of retail space. Selangor remained as the biggest retail space provider with 24.0% (2.90 million s.m.) of the nation's total space. Next was Kuala Lumpur with 19.9% (2.40 million s.m).

The review period saw fewer completions against 2011. There were 29 newly completed shopping complexes (2011: 37 buildings) nationwide, injecting another 479,246 s.m. of space into the market. Consequently, the country's stock increased by 4.1% to 12.07 million s.m. (2011: 11.59 million s.m). The completed complexes comprised 14 shopping centres (331,205 s.m), 9 hyper markets (125,475 s.m.), and six arcades (22,566 s.m.). The three major contributors were Perak (212,951 s.m.), Sarawak (89,450 s.m.) and Selangor (48,362 s.m.). Combined, these three state formed 73.2% of the country's newly completed retail space.

Construction activity moderated further as starts construction contracted by 38.9% (2012: 11 buildings, 192,857 s.m; 2011: 15 buildings, 315,739 s.m.). The future supply remained plenty with 65 complexes (1.28 million s.m.) in the incoming supply. Kuala Lumpur with 28.4% (363,212 s.m.) share of the nation's total, retained as the highest contributor in incoming supply

Purpose-Built Office

The year saw sustained market activity of purpose built-office sub-sector. Equal number of transactions was recorded whilst value increased slightly (2012: RM1.31 billion; 2011: RM1.14 billion). The annual take up however, dropped 60.2% from 561,749 s.m. (2011) to

223,797 s.m. as more new spaces came on stream. In tandem, the national occupancy rate eased to 82.3% (2011: 83.2%). Nevertheless, all states with exception to Sabah indicated positive take-up difference. Kuala Lumpur led with the highest annual take-up of 109,013 s.m. improved from 51,569 s.m. in 2011. Pulau Pinang came second with 28,135 s.m., after recording negative take-up of 32,860 s.m. in 2011. Sabah recorded negative take-up of 1,783 s.m. due to vacancies in older buildings.

At year end, the country's total office space available for occupation increased to 3.22 million (2011: 2.97 million s.m.). Kuala Lumpur held the bulk with 1.73 million s.m, followed by Selangor (562,732 s.m.) and Johor (242,391 s.m). Combined, the three states accounted for 78.7% of the nation's vacant office space.

On the supply side, construction activities softened. Completions, starts and new planned supply reduced considerably. The number of completions fell from 41 units last year to 29 units, offering 472,785 s.m of office space against 623,741 s.m. in 2011. The new supply of office spaces was driven by 13 privately-owned buildings which contributed 91.9% (434,249 s.m.) of the total completions. Five buildings were in Kuala Lumpur, two each in Putrajaya and Perak and one each in Pulau Pinang, Pahang, Negeri Sembilan and Terengganu.

The construction starts continued to slow down from 427,834 s.m (2011) to 164,260 s.m. (2012). Only five states recorded starts construction. Kuala Lumpur, though registered the highest start in the country, it contracted significantly by 45.0% from 229,390 s.m. last year to 126,167 this year.

As at year-end, the total existing supply of office space in the country stood at 18.15 million s.m., (2,324 buildings). There were another 93 buildings (1.90 million s.m.) in the incoming supply and 37 buildings (726,356 s.m.) in the planned supply. Kuala Lumpur remained as the main provider in the incoming, accounting for 49.5% (940,772 s.m.)

(*Source: Press Release: Malaysian Property Market 2012, Valuation & Property Services Department, Ministry of Finance Malaysia*)

5.3 Outlook of the Malaysian Property Sector

ETPs will continue to propel Malaysia's economic growth. As at November 2012, there were 23 Entry Point Projects worth RM6.68 billion of investment. They involve 11 projects under National Key Economic Areas ("**NKEA**"), three developments under Strategic Reform Initiatives and nine projects under Regional Economic Corridors. NKEA Oil, Gas and Energy and Greater Kiang Valley will induce demand for development lands. In Johor, Tanjung Bin Petrochemical and Maritime Industrial Centre will be covering a total area of 913 hectares of land in Pontian. In Greater Kuala Lumpur area, RM5.23 billion is invested in property development project to regenerate and revitalise the old township of Petaling Jaya. The Petaling Jaya Sentral Garden City development will span across 16 hectares is poised to be the new green central business district of Selangor, supporting Kuala Lumpur and other business.

The residential property sub-sector will continue to drive the property market and construction activity. Affordable housing will be the national focal agenda in the coming years. Three agencies viz. PR1MA Corporation Malaysia ("**PR1MA**"), Syarikat Perumahan Nasional

Berhad ("**SPNB**") and National Housing Department are entrusted to build 123,000 affordable housing with RM1.9 billion allocation.

- PR1MA will built 50,000 houses worth between RM100,000 and RM400,000 per unit in Kuala Lumpur, Shah Alam, Johor Bahru, Seremban and Kuantan. Another 30,000 houses will be built in collaboration with private housing developers. These houses will come under Housing Facilitation Fund and to be sold at 20% lower than the market price.
- SPNB will build a total of 22,855 residential units, including low and medium cost apartment with a built up area of 850 square feet in Shah Alam and Sungai Buloh area. These houses will be sold at about RM120,000 to RM220,000 per unit. Under Rumah Mesra Rakyat programme, SPNB will build a total of 21,000 houses priced at RM65,000 per unit.
- National Housing Department will build 20,454 units for low income earners under the People Housing Programme ("**PHP**"), using the Industrialised Building System ("**IBS**"). These houses will be sold between RM30,000 and RM40,000 per unit.

In the efforts to facilitate My First Home Scheme, which was launched last year, the income limit for individual loans is increased from RM3,000 to RM5,000 per month or joint loans for husband and wife up to RM10,000 per month. Under this scheme, the maximum limit of house price remained at RM400,000. In addition to it, the price limit for 50% stamp duty exemption on the transfer agreements and loan agreements for the purchase of the first residential property is raised to RM400,000 and extended to 31 December 2014. With these revised conditions and stamp duty exemption, it is expected that more first home owners will participate and invigorate the residential property market.

In the 2013 Budget, RM100.0 million is set aside for the Ministry of Housing and Local Government to revive 30 abandoned housing projects. In inspiring private sectors' participation, the following tax incentives are provided;

- Banking institution be given tax exemption on interest income received from the rescuing developer
- Rescuing developer be given a double deduction on interest paid and all direct costs incurred in obtaining loans
- Rescuing developer be given stamp duty exemption on all instruments executed for the purpose of transfer of land or houses and loan agreements to finance the cost of revival
- Original house buyer in the abandoned project be given stamp duty exemption on all instruments executed for the purpose of obtaining additional finance and the transfer of the house

Taking into account of those attractive tax incentives and ample budget provision, it is anticipated that the housing construction will be stimulated and highly likely abandoned housing will be revived.

In the commercial property sub-sector, Tun Razak Exchange ("**TRX**"), formerly known as KLIFD, is expected to provide new investment opportunities by connecting the business community with the global market. It is expected to attract 250 international financial services company to operate their business in the country. In the effort to encourage international financial institutions to make Kuala Lumpur a preferred investment centre more incentives were given. These include 10 years income tax exemption for TRX-status companies, stamp duty exemption, industrial building allowance and accelerated capital allowance for TRX

Marquee-status companies as well as tax exemption for property developers are provided. Given that the project is going to be a leading global centre for international finance, trade and services, it is anticipated that there will be stronger demand for high end houses in future.

(*Source: Press Release: Malaysian Property Market 2012, Valuation & Property Services Department, Ministry of Finance Malaysia*)

5.4 Outlook of Office Space in Damansara Town Centre

The general office sector in Klang Valley ("**KV**") appeared to have been softening as a result of new completions since 2009 following the sluggish condition of foreign markets and a very cautious local market. The declining office market performance was mainly contributed by GKL's average occupancy rate, i.e. 80.0% which depressed the average 2012 KV Occupancy Rate to 86.0%. However, on a micro aspect, the performance of office sector in Metropolitan Kuala Lumpur ("**MKL**") and in particular, the western part of MKL area ("**MKL-W**"), seemed to have been better with the average occupancy rate at 89.5% at the time of our review i.e. 2012 as compared to 88.0% in 2011, despite the lowering of occupancy rates within Damansara Town Centre as a result of a planned redevelopment.

The overall decline in the purpose-built office market performance is largely attributable to the 4.72 million sq. ft. of office space that came on stream in 2009 and 2010 which were mostly located in the study area i.e. MKL-W and areas under the jurisdiction of the Municipal Council of Petaling Jaya ("**MKL-PJ**"). Newly completed office buildings have taken longer to fill than previously as evident from developments located within Damansara Perdana and Petaling Jaya both in MKL-PJ with landlords of existing buildings adopting aggressive measures to maintain their existing tenants.

In terms of prime office rentals, Central Kuala Lumpur ("**CKL**") and MKL-W registered the highest growth rates. The higher average rental growth over the past 5 years could be due to the completion of the new generation of office buildings offering better features to tenants such as Quill 7 @ KL Sentral, Plaza Sentral, 1 Sentral in KL Sentral, Menara UOA Bangsar (Tower A & B) in Bangsar, Gardens North and South Towers and Centrepoint in Mid Valley City as well as 8 First Avenue and 1 First Avenue in Bandar Utama.

With signs of market recovery largely attributable to the introduction of various fiscal stimuli and monetary measures as well as initiatives to liberalise the local services sector, rentals have stabilized since 2010 and is likely to remain stable in the short to medium term within the study area despite more than 11 million sq. ft. of prime office space in the pipeline, with the bulk of space to be located within MKL, by 2016.

(*Source: Pricing Study on An Office Space in Damansara Town Centre, Kuala Lumpur by C H Williams Talhar & Wong, 12 June 2013 as extracted from Malton Berhad's circular to its shareholders dated 28 August 2013*)

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6. BANK GUARANTEE BY MBB

6.1 Brief Introduction of MBB

MBB is Southeast Asia's fourth largest bank by assets. It is listed and headquartered in Kuala Lumpur and is Malaysia's largest company by market capitalisation. MBB and its subsidiaries (collectively, the "**Maybank Group**" or the "**Group**") have a global network of 2,200 offices in 20 countries including in all 10 Association of South East Asian Nations ("**ASEAN**") countries. The Group commenced commercial banking operations in Malaysia in 1960 and today operates from its key home markets of Malaysia, Singapore and Indonesia as well as across the Asia-Pacific region and major international financial centres. These include the Philippines, Brunei Darussalam, Cambodia, Vietnam, Laos, Thailand, Myanmar, China, Hong Kong, Papua New Guinea, Pakistan, India, Uzbekistan, Saudi Arabia, Bahrain, United Kingdom and United States of America.

Having over 50 years of experience and an early presence in global banking markets, the Maybank Group offers businesses and investors the ability to tap into its resources and network to meet their financial needs. Its range of services includes corporate and consumer banking, investment banking, insurance and takaful, asset management, Islamic banking, offshore banking, stock broking, venture capital financing and much more.

MBB is the holding company and listed entity for the Maybank Group with branches in Malaysia, Singapore and other international financial centres such as London, New York, Hong Kong and Bahrain. MBB's key overseas subsidiaries are PT Bank Internasional Indonedia Tbk (BII), Maybank Philippines Incorporated, Maybank (PNG) Ltd in Papua New Guinea and Maybank International (L) Ltd in the offshore centre of Labuan. The major operating subsidiaries are Maybank Islamic, Maybank IB, Maybank Kim Eng Holdings Ltd and Etiqa Insurance Berhad. MBB has associate companies in Pakistan (through 20% owned MCB Bank) and in Vietnam (through 20% owned An Binh Bank).

(*Source: Maybank Annual Report 2012*)

6.2 Bank Guarantee

MBB shall issue the BG in favour of the Trustee, proportionate to its guarantee commitment under the BG Facility, to irrevocably and unconditionally guarantee the principal and one (1) coupon payment obligation of the Issuer in respect of MTN(bg) issued under the Guaranteed MTN Programme on a several basis (other than interest on late payment charges and charges in respect of the MTN/ Guaranteed MTN Programme).

6.3 Tenure

Subject to the satisfactory completion of all documentation and compliance with all the conditions precedents, the tenure of the BG Facility is for a period of up to seven (7) years commencing from the date of the first issuance of MTN under the Guaranteed MTN Programme. Each BG for a particular Series of MTN under the Guaranteed MTN Programme shall be effective from the issue date of the MTN and expire on the expiry date of the said BG which shall be consistent with the maturity date of the said Series of MTN.

6.4 Claim Period

A demand on the BG must be made no later than thirty (30) days from either the maturity date of the relevant Series of MTN(bg) or the declaration of an Event of Default under the Trust Deed, whichever is the earlier, failing which MBB's liability under such BG shall be discharged.

Only one (1) claim can be made on the BG and the claim is capped to the amount stated in the BG (the "**BG Guaranteed Amount**"). The BG shall cease to be valid upon payment of the BG Guaranteed Amount and thereafter MBB's obligations and liabilities (other than the payment of the monies claimed), if any, shall be discharged. Any demand on the BG shall only take effect upon actual receipt of the demand in writing from the Trustee by MBB.

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7. FINANCIAL GUARANTEE INSURANCE POLICY BY DANAJAMIN

7.1 Brief Introduction of Danajamin

Danajamin is an AAA-rated Financial Guarantee Insurer in Malaysia. It provides financial guarantees, which are a form of credit enhancement for bonds/sukuk issuances to facilitate access of non-AAA rated companies into the Private Debt Securities ("**PDS**") market. Its role is to be a catalyst to stimulate and further develop the Malaysian PDS market.

Through the provision of financial guarantees, Danajamin aims to fulfil three key objectives:

(i) to provide financial guarantee to enable financially viable companies access to the PDS market to obtain financing, with emphasis on long-term financing;

(ii) to catalyse the further development of the domestic PDS market as an alternative source of financing to complement the banking industry; and

(iii) to stimulate economic growth by improving access to capital for Malaysian companies.

By providing financial guarantees to bonds/sukuk issuances, a wider range of companies is envisaged to be able to raise capital via the bond/sukuk market. It also encourages smaller/non-traditional issuers to raise capital via the bond/sukuk market as well as to provide availability of long-term capital for companies.

With Danajamin's financial guarantee, the bonds/sukuk issuances which are lower rated will be automatically upgraded to $AAA_{(fg)}$, the highest rating accorded to bonds/sukuk. With the improved rating, issuers will be more assured of a successful bonds/sukuk issuance. Investors, on the other hand, will have an opportunity to invest in AAA-rated papers that are guaranteed by Danajamin. Investors also have the assurance that Danajamin will pay the coupon/profit and principal on behalf of the issuer, should the issuer fail to do so.

(*Source: www.danajamin.com*)

7.2 FGI Policy

Danajamin shall issue the FGI Policy in favour of the Trustee, proportionate to its guarantee commitment under the FGI Facility, to irrevocably and unconditionally guarantee the principal and one (1) coupon payment obligation of the Issuer in respect of the MTN(fg) issued under the Guaranteed MTN Programme on a several basis (other than interest on late payment charges and charges in respect of the MTN/ Guaranteed MTN Programme).

7.3 Tenure

Subject to the satisfactory completion of all documentation and compliance with all the conditions precedents, the tenure of the FGI Facility is for a period of up to ten (10) years commencing from the date of the first issuance of MTN under the Guaranteed MTN Programme. The FGI Policy shall be effective from the issue date of the MTN and expire on the expiry date of the FGI Policy which shall be consistent with the expiry date of the tenure of the Guaranteed MTN Programme.

7.4 Claim Period

A demand on the FGI Policy must be made no later than thirty (30) days from the expiry of the tenure of the Guaranteed MTN Programme failing which Danajamin's liability under the FGI Policy shall be discharged.

Only one (1) claim can be made on the FGI Policy and the claim is capped to the amount as stated in the FGI Policy (the "**FGI Guaranteed Amount**") and the FGI Policy shall cease to be valid upon payment of the FGI Guaranteed Amount and thereafter Danajamin's obligations and liabilities (other than the payment of the monies claimed), if any, shall be discharged. Any demand on the FGI Policy shall only take effect upon actual receipt of the demand in writing from the Trustee by Danajamin.

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8. INVESTMENT CONSIDERATIONS

Prospective investors of the MTN should consider carefully all information set out in this Information Memorandum and, in particular, the risks involved. The following is a summary of risk factors relating to the MTN and their possible mitigating factors, where available. The MTN are subject to certain risks that could adversely affect the business of the Issuer. The following section does not purport to be complete or exhaustive and is not intended to substitute or replace an independent assessment of the risk factors that may affect the MTN. Prospective investors should undertake their own investigations and analysis on the Issuer, its respective business and risks associated with the Guaranteed MTN Programme. Investors should also note that each MTN issuance under the Guaranteed MTN Programme will carry different risks and all investors should evaluate each MTN issuance on their respective merits.

8.1 Considerations relating to the Guaranteed MTN Programme

8.1.1 No Prior Market for the Guaranteed MTN Programme, i.e. MTN Liquidity

The MTN to be issued under the Guaranteed MTN Programme comprise of a new issue of securities for which no secondary market currently exists and, in the event that a secondary market of the MTN does develop, there can be no assurance that it will continue. Furthermore, there can be no assurance as to the liquidity of any market that may develop for the MTN, the ability of the MTN holders to sell their MTN or the prices at which the MTN holders would be able to sell their MTN.

Notwithstanding the above, as the MTNs are assigned long-term ratings of $AAA_{(bg)}$ /$AAA_{(fg)}$ by RAM, there is likely to be high level of liquidity due to strong demand for highly rated papers, by virtue that the MTN are irrevocably and unconditionally guaranteed by the Guarantee Facilities.

8.1.2 Risk inherent to the Guarantors

The MTN are guaranteed by MBB and Danajamin, in respect of the payment obligations of the Issuer of the outstanding nominal value and one (1) coupon payment of such MTN (other than interest on late payment and any other charges in respect of the MTN). The payment under such Guarantee Facilities will be dependent upon the financial strength and the ability to pay of the respective Guarantors and subject to the risks inherent to the business and operations of the respective Guarantors.

However the above risks are mitigated by the fact that both MBB and Danajamin are rated AAA/P1 by RAM. The ratings reflect MBB’s excellent franchise, sound credit fundamentals and significant systemic importance; and also Danajamin’s healthy capitalisation levels relative to its insured liabilities as well as its conservative policy of investing in low-risk and highly liquid assets.

Some general information on the Guarantors is provided in Section 6 and 7 of this Information Memorandum. Such information has been extracted or taken from public sources. No due diligence inquiries or independent investigations have been made by the Issuer, the PA/LA, or any other person involved in this MTN on such information. As such, prospective investors are requested to conduct their own independent assessment and evaluation of the Guarantors.

8.1.3 Rating on the Guaranteed MTN Programme

It is a condition precedent to the availability of the Guaranteed MTN Programme that the Guaranteed MTN Programme shall be accorded a minimum rating of AAA. The Guaranteed MTN Programme has been accorded long-term ratings of $AAA_{(fg)}$ in respect of the MTN(fg) and $AAA_{(bg)}$ in respect of the MTN(bg) by RAM. The rating addresses the likelihood of full and timely payment of interest and principal to the MTN holders. A rating is not a recommendation to purchase, hold or sell the MTN as such ratings do not comment on the market price or suitability for a particular investor. There is no assurance that such a rating will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by an assigning rating organisation in the future, if, in its judgment, circumstances in the future so warrant.

Further, a rating is not a guarantee of repayment or that there will be no default by the Issuer or its Guarantors under the MTNs. In the event that the ratings initially assigned to the Guaranteed MTN Programme is subsequently placed on rating watch, lowered, downgraded or withdrawn for any reason, no person or entity will be obligated to provide any additional credit enhancement with respect to the MTN. Any placement of the Guaranteed MTN Programme on rating watch, downgrade or withdrawal of a rating may have an adverse effect on the liquidity and the market price of the MTN although it will not constitute an event of default or an event obliging the Issuer to repay the MTN under the terms of Guaranteed MTN Programme. Any reduction or withdrawal of a rating will not constitute an event of default. There is no obligation on the part of the Issuer, the PA/LA, Trustee or any other person or entity to maintain or procure maintenance of the AAA rating for the Guaranteed MTN Programme.

8.1.4 Issuer's ability to meet payment obligations under the MTN

The ability of the Issuer to meet its payment obligations under the MTN will depend on the Issuer's business operations, i.e. the sale of office and residential units to be constructed and the rental collection from or sale of the Retail Mall. Repayment of the MTN will be the Issuer's obligations alone. In particular, the MTN will not be obligations or responsibilities of, or guaranteed by the PA/LA, the Trustee or any subsidiary or affiliate thereof, or any other person involved or interested in the transaction envisaged under the Guaranteed MTN Programme.

The MTN are, however, guaranteed by guarantees to be provided by MBB and Danajamin to irrevocably and unconditionally guarantee certain payment obligations of the Issuer under the Guaranteed MTN Programme.

8.1.5 MTN are unsecured obligations

The MTN are unsecured obligations of the Issuer and accordingly the MTN holders will not have any priority right in respect of its recourse to the assets of the Issuer to satisfy payment obligations of the Issuer under the MTN. Although the MTN are supported by the BG pursuant to the BG Facility and the FGI Policy pursuant to the FGI Facility, such financial guarantees are merely contractual obligations of the respective Guarantors to pay the guaranteed amount on demand upon occurrence of certain specified event(s) and does not confer on the MTN holders with rights to priority of payment out of the assets of the Issuer in the event of insolvency or winding up of the Issuer. The MTN holders are considered unsecured creditors of the Issuer.

8.1.6 Interest rate risk and fluctuation of the market value of the MTN

Trading prices of the MTN may be influenced by numerous factors, including the operating results and/or financial condition of the Issuer, political, economic and any other factors that can affect the capital markets. Any adverse economic developments could have an effect on the market value of the MTN.

The MTN are fixed income securities and may therefore see their prices fluctuate due to movements in interest rates. Generally, a rise in interest rates may cause a fall in the MTN prices. The MTN may be similarly affected resulting in a capital loss for the MTN holders. Conversely, when interest rates fall, the MTN prices and the prices at which the MTN trade may rise. As a result thereof, the MTN holders may enjoy a capital gain but profit received maybe reinvested for lower returns.

8.1.7 Investment return from the MTN is subject to inflation risk

The MTN holders would have an anticipated rate of return based on expected inflation rates on the purchase of the MTNs. An expected increase in inflation could reduce the real rate of return of the MTN holders.

8.2 Considerations relating to the Issuer, Business and Related Industries

The investment considerations set out below relate to the risks which affect the business of the Issuer:

8.2.1 Competition risk

Although competition from new entrants is somewhat limited due to a high cost of entry into the property sector, the Issuer faces competition from other property developers in terms of selling price and types of offerings, locations, infrastructure and amenities, quality of development and reliability and reputation of the developer. Intense competition may result in highly competitive pricing, which may subsequently affect the Issuer’s financial performance.

Nonetheless, the Issuer will take pro-active measures to mitigate competition risks by constantly reviewing its marketing strategies and monitoring the market condition. In addition, the prime location as well as scarcity of similar properties in the PBD Land may be a differentiating factor for the Project. The location of the Project which has good connectivity vide major highways and the two proposed MRT stations within close proximity would be a strong selling point for the Project. The Retail Mall will be positioned as a destination mall unlike the larger suburban malls that are located within close proximity to the Project. The competitive advantage of being an integrated development with residential and commercial component is expected to draw in the office crowd within the vicinity as well as the weekend crowd from the major surrounding catchment areas which include Damansara Heights, Bangsar, Mont Kiara, Taman Duta and Kenny Hills. In addition, the long ground floor dual frontages of the Retail Mall is a competitive advantage that is expected to provide strong visibility, an essential criteria for the retail business.

8.2.2 Demand and supply

The revenue of the Issuer is dependent, *inter alia*, on its property development activities which is the primary revenue contributor for the Issuer. The turnover and profitability of the Issuer will be highly susceptible to fluctuations in property prices prevailing in the industry. Property prices are determined by the supply and demand for property in the local and global market. There is no assurance that adverse movement in the prices of property will not have an adverse effect of the performance of the Issuer.

The property sector is cyclical and is tied to the general health of the economy. Consumer confidence is highly correlated to the general economic cycles and remains a strong influence on demand for property. Government policies such as the RPGT, regulations in bank lending policies, incentives for selected group of buyers and changes in the interest rates will have an impact on the availability of financing and may influence demand to a certain extent.

However, if the higher RPGT materialises, speculative activity is expected to be reduced in the near term but is unlikely to deter the real property demand significantly which is well supported by owner occupiers and a young demographic profile. On the flipside, upside risk to boost demand is present in government incentives for potential property owners and the prestigious identity of the Project's location.

8.2.3 Completion and construction risk

Construction risk occurs when uncertainties that threaten the goals and timeline of a project arise. The timely completion of construction projects is dependent on various external factors such as obtaining the requisite regulatory approvals on a timely basis, sourcing and securing quality construction materials in adequate amounts on favourable credit terms, satisfactory performance of contractors and suppliers appointed to complete the projects, budgetary and personnel changes, and inaccurate and incomplete research on the construction project. Operational consistency represents one of the key factors for successful project execution.

The Project is subject to various approvals including but not limited to the Wilayah Persekutuan land registry, the planning authorities and Dewan Bandaraya Kuala Lumpur. Imposition of liquidated and ascertained damages for late completion is normally stipulated in sale and purchase agreements with customers. Any delay in the completion of the Project may result in claims for liquidated and ascertained damages by the Issuer's customers which may adversely affect the Issuer's cash flow position, financial condition and operations.

The Issuer will closely monitor the work schedule of the Project and potential project risks by having periodic progress meetings with appointed contractors as well as project team meetings. The Issuer also intends to engage contractors with good track record. This will enable the Issuer to apply the appropriate steps to control these risks to maintain quality standards and ensure effective execution.

In addition, these risks are further mitigated by the existence of provisions on imposition of liquidated and ascertained damages for late completion in the construction contracts between the Issuer and its contractors.

8.2.4 Industry risk

The Issuer is not insulated from the inherent risks existing in the property sector. The Issuer's business can be adversely affected by many factors including shortage and rising cost of building materials, equipment and labour; availability and rising cost of financing; unsatisfactory performance of appointed contractors and their inability to supply sufficient labour, whether skilled or unskilled; adverse weather conditions, natural disasters, labour disputes, disputes with subcontractors, accidents, changes in government legislations and policies and other unforeseen problems and circumstances. Any of these factors could give rise to delays in the completion of the Project and result in cost overruns.

Notwithstanding that the directors of the Issuer and management team of the Project have the experience and expertise to anticipate and mitigate some of these industry risks, risk of occurrence and the subsequent adverse impact on the Project's financials remain due to the external nature of these factors that are beyond the Issuer's control.

8.2.5 Reputation risk

As at 2QFY13, Pavilion Kuala Lumpur recorded an almost full occupancy rate of 99.5 per cent *(Source: Pavilion REIT, Alliance Research, 2 August 2013)*. Sale of properties developed by companies controlled by the Project Sponsor has been well received by buyers, for example Banyan Tree Signatures Pavilion Kuala Lumpur and Pavilion Residences. Success of the Project's sales is intrinsically tied to consumer's confidence in the quality of the Issuer's product, business relationships and overall reputation of the Project Sponsor within the industry, accumulated thus far through the Project Sponsor's and his related companies' established track record. Any future adverse publicity against the Project Sponsor and his related companies / projects may adversely affect the Issuer's financial performance.

8.2.6 Dependence on Directors and Management Team of the Project

The Issuer's success depends to a significant extent on the abilities, skill, experience and continuing efforts of its directors and the management team of the Project. The continued success of the Issuer's business and the ability to execute business strategies in the future will therefore be dependent on the Issuer's ability to retain and motivate the services of the management team of the Project and its operational personnel. Prompt personnel replacement as well as low turnover of the Project's key decision makers and skilled workforce would play a significant role in the success of the Project, and inadequate steps taken to control these factors could adversely affect the Issuer's financial conditions and business prospects.

Please refer to Sections 3.4 and 4.6 of this Information Memorandum for the profiles of the Issuer's directors and the management team of the Project.

8.2.7 Dependency on operating licences

From a regulatory front, effective execution and completion of the Project is reliant on clearances and approvals from relevant authorities for various licences, certificates, and permits, some of which are subject to periodical renewals. There can be no assurance that the Issuer will be able to obtain or renew such licences, certificates, permits and consents, as well as preventing the occurrence of a revocation or suspension prior to expiration.

Any form of revocation, non-renewal or suspension prior to expiration of these licences, certificates, permits and consents can impede the completion progress of the Project, leading to cost overruns and potential reputational risk to the Issuer.

8.2.8 Insufficient insurance coverage

Although the Issuer has taken and will take the necessary measures to ensure that all its assets are adequately covered by insurance in accordance with standard industry practice, there can be no assurance that the coverage would be adequate for the replacement cost of the assets or any consequential losses arising thereof. Any losses or liabilities that are not covered by the standard insurance plan may have a material adverse effect on the Issuer's financial condition and results of its operations.

In addition, the Issuer is also exposed to potential third party claims or litigation by tenants or other persons relating to personal injury or other damages resulting from contact with or use of the Issuer's properties, may be made against the Issuer as the owner / manager / developer of such properties. There can be no assurance that the insurance coverage obtained by the Issuer will be adequate to safeguard the Issuer from the impact of such potential third party claims or litigation.

8.2.9 Financial risk

The Issuer's working capital and capital expenditure requirements will be funded by internally generated funds, borrowings from financiers as well as credit arrangements with the Issuer's contractors/sub-contractors/suppliers.

The Issuer may be bound by certain restrictive covenants typically contained in facility agreements that are entered into with financiers and these may restrict or limit the Issuer's operating and financial flexibility. Breach of such covenants may lead to termination of credit facilities by the financiers and/or enforcement of security provided in relation to the facilities. To mitigate this risk, the Issuer's directors and the management team of the Project will monitor the Issuer's compliance with all relevant covenants and take necessary precautions to prevent any potential breach. In order to ensure funding requirements are adequately met and external financing, where necessary, is secured on a timely basis, the Issuer practices prudent financial management.

8.2.10 Non-compliance with laws and regulations relating to health and safety and the environment

The Issuer is required to comply with various environmental laws and regulations. Failure to comply with such laws and regulations may result in penalties and in severe cases, closure of the construction site which would adversely affect the Issuer's operations and profits. Any tightening of environmental laws may also require the Issuer to make substantial investments in equipment or to implement additional processes to comply with such changes. Further, the Issuer's operations may be adversely affected by changes to health and safety laws and regulations if significant expenses are required to ensure compliance with such laws and regulations.

8.2.11 Non-completion of JV Agreement

The Issuer has entered into the JV Agreement for the Project with BDDSB and DASB. Both parties are required under the JV Agreement to perform certain obligations to ensure successful execution of the project. Non-performance risk as well as risk of termination or dissolution under the terms of the JV Agreement may further impede completion of the Project.

8.3 General Considerations

8.3.1 Government policies, legislations and regulations

Changes in law and regulations may be unpredictable and beyond the Issuer's control. Such changes may affect the way the Issuer conducts its business and the products it offers. Some changes may be more restrictive or result in higher costs than current requirements or otherwise materially impact the Issuer's business, operations or financial condition.

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

The business of the Issuer is also subject to changes in government policies such as tighter housing loan policies imposed by BNM which may discourage demand for properties that the Issuer is developing. However, as the Issuer's target market is generally the affluent especially those already living in the surrounding catchment area, the adverse effect of this change in housing loan policies may be mitigated.

8.3.2 Political, economic, market and regulatory risks

The Issuer could be adversely affected by changes in the political, economic, market and regulatory conditions in Malaysia. Changes in political leadership, risks of war and riots, expropriation, nationalisation, changes in interest rates or legislation, methods of taxation and exchange control policies or rules are examples of uncertainties which could adversely affect the Project and the Issuer. In respect of economic risks, the Issuer's business operations and financial performance may be adversely affected by an economic downturn.

To mitigate these risks, the Issuer will continue to review its business development strategies relating to the Project in light of changing political and economic conditions.

8.3.3 Interest Rate Fluctuation Risk

The Issuer is securing credit facilities on a floating rate basis. The interest rates of such floating rate credit facilities are pegged to the respective financiers' base lending rates or cost of funds. There can be no assurance that the base lending rates or costs of funds of such financiers would be maintained at a certain level at all times. If there is any revision in the interest rate regime, the financial performance of the Issuer may be consequently affected.

8.3.4 Force Majeure

An event of force majeure is an event which is not within the control of the party affected, which that party is unable to prevent, avoid or remove and shall include the following: acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour or industrial disputes, earthquake, typhoon, outbreak of war, outbreak of disease, the declaration of a state of national emergency, blackout, act of the Malaysian government (including any compulsory acquisition of the PBD Land or any part thereof), or change in law. Force majeure events do not include economic downturn, non-availability or insufficient or lack of financing on the part of the Issuer. The occurrence of a force majeure event may have a material impact on the Project. In addition, the JV Agreement provides that any party would not be liable to the other parties in the event one party is unable to fulfil any of its obligations under the JV Agreement if such party is delayed or hindered by reason of any act of the Malaysian government.

8.3.5 Disclosure Regarding Forward Looking Statements

This Information Memorandum contains forward looking statements. All these forward looking statements are based on estimates and assumptions made by the Issuer at the time the information is prepared and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievement expressed or implied in such forward looking statements. Such factors include, *inter alia*, general economic and business conditions, competition, the impact of new laws and regulations affecting the Issuer and the industry, changes in interest rates and changes in foreign exchange rate. These forward looking statements do not constitute a representation or warranty by the Issuer, the PA/LA, or other advisers, that the plans and objectives of the Issuer will be achieved.

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9. OTHER INFORMATION

9.1 Contracts

Save as disclosed below, there are no contracts (not being (i) contracts entered into in the ordinary course of business and (ii) contracts which have been terminated) which have been entered into by the Issuer within the past two (2) years preceding the date hereof.

9.2 Litigation

IESB, KCPM and Pembinaan Gapadu Sdn. Bhd. v BDDSB and DASB (Suit No. 22NCVC-1156-11/2011) (the "Suit")

The Issuer (the "**1st Plaintiff**"), KCPM (the "**2nd Plaintiff**") and Pembinaan Gapadu Sdn. Bhd. (the "**3rd Plaintiff**") initiated a legal claim against BDDSB (the "1st Defendant") and DASB (the "**2nd Defendant**") (collectively, the "**Defendants**") alleging that the Defendants have refused and/or failed and/or neglected to perform their obligations pursuant to the First Supplemental Agreement. The Plaintiffs also alleged that the Defendants have failed to fulfill their obligations under the First Supplemental Agreement, in particular their obligations to execute the sale and purchase agreements. As a result, the Plaintiffs suffered loss and damage and prayed for, inter alia, loss and damage of RM67,633,527.95 suffered by the 1st Plaintiff and loss and damage of RM1,080,834.00 suffered by the 2nd and 3rd Plaintiffs.

The trial has proceeded for over eight days to date. On 5 December 2012, the Defendants applied to call an additional witness, i.e. Dato' Azzat bin Kamaluddin ("**DW-3**").

The Defendants subsequently filed a formal application to call DW-3 (the "**Application**"). The Application was dismissed by the High Court on 30 January 2013. On 5 February 2013, the Defendants filed an appeal to the Court of Appeal against the decision of the High Court dismissing the Application (the "**Appeal**").

Counterclaim (Suit No. 22NCVC-1156-11/2011) (the "Counterclaim")

On 13 March 2012, the Defendants filed a counter claim against the Plaintiffs for the following:

(a) Finance Costs

In breach of the Initial JV Agreement, the 1st Plaintiff failed to pay the balance Cash Entitlement to the Defendants on or before 6 July 2009. As a result, the Defendants were forced to take out a short term revolving credit facility from MBB (the "**BDDSB STRC Facility**") for the repayment of a bond in the sum of approximately RM700 million to various banks. Further, the Defendants have had to incur interest on the BDDSB STRC Facility in the sum of RM51,725,150.00 and financing costs in the sum of RM6,420,000.00 from 31 August 2009 to 31 December 2011. This interest is still incurring to date.

The 2nd Defendant took a loan from Malaysian National Insurance on 1 December 2005 for the sum of RM58 million ("**MNI Loan**"). The balance of the Cash Entitlement was also to be used to pay off this loan. However, due to the 1st Plaintiff's failure in obtaining financing within the time frame stipulated in the Initial JV Agreement, the Defendants had to refinance this MNI Loan with Maybank Islamic Berhad on 14 October 2011 for the sum of RM42 million ("**Maybank Islamic Loan**"). The Defendants paid interest in the sum of RM5,998,184.10 on the MNI Loan and the Maybank Islamic Loan from 31 August 2009 to 31 December 2011 and refinancing costs in the sum of RM577,184.00 on the Maybank Islamic Loan from 31 August 2009 to 1 November 2011. This interest is still incurring to date.

(b) Legal cost

Further, the Defendants also incurred legal costs amounting to RM1,990,782.17 in the preparation the Initial JV Agreement and the First Supplemental Agreement.

(c) Administration cost

Due to the 13 time extensions sought by the 1st Plaintiff to fulfill their obligations under the Initial JV Agreement and the subsequent failure to complete the Initial JV Agreement within the stipulated time, the Defendants had to incur administration costs in the sum of RM42,473,389.57 for overseeing the daily operations of the Subject Property.

(d) Damages/Compensation for Wrongful Entry of Private Caveats

The Defendants suffered loss and damages due to the Plaintiffs wrongful entry of private caveats over the Subject Property.

Status of the Suit and Counterclaim

Pending determination of the Appeal, the Defendants applied for a stay of the Suit and Counterclaim. This application was granted on 7 February 2013. The Suit and Counterclaim are fixed for case management before the High Court on 11 December 2013 and the Appeal is fixed for hearing before the Court of Appeal on 9 December 2013.

Conclusion

Pursuant to the Second Supplemental Agreement, the Issuer, BDDSB and DASB agreed that the Suit and the Counterclaim will be kept in abeyance pending full settlement of the Cash Entitlement by the Issuer. It was further agreed in the Second Supplemental Agreement that upon full payment of the Cash Entitlement, the Suit and the Counterclaim shall be withdrawn with each party bearing its own costs and without liberty to file afresh.

Hence, upon application of proceeds for the first issuance of the MTN, the Issuer and Defendants are contractually obliged to withdraw the Suit and the Counterclaim.

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10. CONFLICT OF INTEREST

Save as disclosed below, we are not aware of any circumstances, which may potentially give rise to a conflict of interest in this transaction:

10.1 Maybank IB

Maybank IB is the PA/LA and Facility Agent for the Guaranteed MTN Programme whilst MBB is the guarantor under the BG Facility. As mentioned in Section 1.4 above, proceeds raised from the first issuance of the MTN will be utilised to part finance the cash consideration for the Subject Property which is due to BDDSB. Part of this cash consideration will be paid directly to the Maybank Group as repayment of credit facility/facilities granted to BDDSB and/or its related companies which is/are then outstanding. These credit facilities were granted in the Maybank Group's ordinary course of business.

In view of the above, there is a potential conflict of interest arising from Maybank IB's role as the PA/LA and Facility Agent for the Guaranteed MTN Programme.

Maybank IB has considered the factors involved and believes that its objectivity and independence in carrying out its role as the PA/LA and Facility Agent for the Guaranteed MTN Programme have been and will be maintained at all times for the following reasons:

(i) Maybank IB is a licensed investment bank and its appointment as the PA/LA and Facility Agent for the Guaranteed MTN Programme is in its ordinary course of business;

(ii) the roles of Maybank IB will be governed by the relevant agreements and documentation which shall clearly set out the rights, duties and responsibilities of Maybank IB in its capacity as the PA/LA and Facility Agent for the Guaranteed MTN Programme and be carried out on an arms-length basis; and

(iii) save for the fees charged in relation to its roles as the PA/LA and Facility Agent for the Guaranteed MTN Programme, Maybank IB will not be deriving any other monetary benefit from the Guaranteed MTN Programme outside its aforesaid capacity.

In order to further mitigate or address the above, the following measures have been taken:

(i) the situation has been brought to the attention of the Issuer's Board of Directors and it is hence fully aware of the same. Enclosed herewith in Appendix IV is an extract of the Issuer's Board of Directors' resolution acknowledging the potential conflict of interest. Notwithstanding the potential conflict of interest, the Issuer's Board of Directors is agreeable to proceed with the implementation of the Guaranteed MTN Programme based on the present arrangement and terms; and

(ii) a due diligence review pursuant to the Guaranteed MTN Programme has been undertaken by professional and independent advisers.

As the date hereof and after making enquiries as were reasonable in the circumstances, Maybank IB as the PA/LA and Facility Agent for the Guaranteed MTN Programme confirms that, to the best of its knowledge, there is no other existing or potential conflict of interest situation in its capacity as the PA/LA and Facility Agent for the Guaranteed MTN Programme other than as highlighted above.

10.2 Messrs. Rahmat Lim & Partners

Messrs Rahmat Lim & Partners, being the legal adviser to the PA/LA and legal due diligence solicitors for the Guaranteed MTN Programme, legal adviser to Danajamin in respect of the FGI Facility and legal adviser to MBB in respect of the BG Facility, have confirmed that they do not have any conflict of interest arising from their roles in the Guaranteed MTN Programme, FGI Facility and BG Facility.

10.3 Maybank Trustees

Maybank Trustees, a wholly-owned subsidiary of MBB, is the appointed Trustee under the Guaranteed MTN Programme whilst MBB is the guarantor under the BG Facility.

Accordingly, potential conflicts of interest (if any) may arise from the relationship between Maybank Trustees and MBB.

Maybank Trustees has considered the factors involved and it believes that objectivity and independence, in carrying out its role as the Trustee for the Guaranteed MTN Programme, have been and will be maintained at all times for the following reasons:-

10.3.1 Maybank Trustees is a registered trustee and its appointment as the Trustee for the Guaranteed MTN Programme is in its ordinary course of business;

10.3.2 the roles of Maybank Trustees will be governed by the relevant agreements and documentation which shall clearly set out the rights, duties and responsibilities of Maybank Trustees in its capacity as Trustee for the Guaranteed MTN Programme;

10.3.3 save for the fees charged in relation to its role as the Trustee for the Guaranteed MTN Programme, Maybank Trustees will not be deriving any other monetary benefit from the Guaranteed MTN Programme outside its aforesaid capacity;

10.3.4 Maybank Trustees and MBB are separate legal entities and at least one third of the board of directors of Maybank Trustees comprises independent directors;

10.3.5 the officers carrying out the functions of Maybank Trustees are subject only to the direction of its management and directors; and

10.3.6 non-financial resources provided by the Maybank Group to Maybank Trustees, if any, are provided under binding arms length agreements on normal commercial terms which do not diminish Maybank Trustees" independence.

In order to further mitigate or address the above, the situation has been brought to the attention of the Issuer's Board of Directors and it is hence fully aware of the same. Notwithstanding the potential conflict of interest, the Issuer's Board of Directors is agreeable to proceed with the implementation of the Guaranteed MTN Programme based on the present arrangement and terms.

As at the date hereof and after making enquiries as were reasonable in the circumstances, Maybank Trustees confirms that, to the best of its knowledge, there is no other existing conflict of interest situation in its capacity as the Trustee for the Guaranteed MTN Programme other than as highlighted above.

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