

BASE PROSPECTUS

# NagaWarrants

by kenanga

Base Prospectus  
relating to the offering  
of Structured Warrants to be issued  
by

**KENANGA INVESTMENT BANK BERHAD**  
**(Company No. 15678-H)**

*(A Participating Organisation of Bursa Malaysia Securities Berhad)*  
*(Incorporated in Malaysia under the Companies Act 2016)*

This Base Prospectus is published in connection with the offering of Structured Warrants (as defined below) to be issued from time to time (within the validity period of this Base Prospectus which expires on 22 April 2019 by Kenanga Investment Bank Berhad (“KIBB” or the “Issuer”). The Structured Warrants are non-collateralised and comprise of American style cash settled call/put warrants over a single equity, American style cash settled call/put warrants over a basket of equities, American style cash settled call/put warrants over a single index, American style cash settled call/put warrants over an exchange-traded fund (“ETF”), European style cash settled call/put warrants over a single equity, European style cash settled call/put warrants over a basket of equities, European style cash settled call/put warrants over a single index, European style cash settled call/put warrants over an ETF, European style cash settled callable bull/bear certificates (“CBBCs”) over a single equity, European style cash settled CBBCs over a single index, European style cash settled CBBCs over an ETF and bull equity-linked structures (“Bull ELS”) (collectively, “Structured Warrants”).

This Base Prospectus is intended to provide information on the Issuer and the Structured Warrants. The specific terms and conditions relating to each series of Structured Warrants will be set out in the term sheets to be issued for the Structured Warrants, which will be supplemental to, and should be read in conjunction with this Base Prospectus.

**You are warned that the price or the level of the underlying financial instruments and the price of the Structured Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. You should therefore make sure you understand the terms and conditions of the Structured Warrants offered, the risk factors involved, and where necessary seek professional advice before investing in the Structured Warrants.**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS BASE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. TURN TO PAGE 13 OF THIS BASE PROSPECTUS FOR “RISK FACTORS”.**

The Structured Warrants constitute general unsecured contractual obligations of the Issuer and of no other person. Therefore, if you purchase the Structured Warrants, you are relying on the creditworthiness of the Issuer and have no recourse/rights against the company which has issued the underlying shares, the underlying ETF, the sponsor of the underlying indices or any companies forming part of any indices to which the Structured Warrants relate.

The Structured Warrants are to be listed and traded on the Structured Warrants Board of Bursa Malaysia Securities Berhad.

The date of this Base Prospectus is 23 April 2018

**kenanga**

Kenanga Investment Bank Berhad  
Company No. 15678-H

## **RESPONSIBILITY STATEMENTS**

OUR DIRECTORS HAVE SEEN AND APPROVED THIS BASE PROSPECTUS. OUR DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS BASE PROSPECTUS FALSE OR MISLEADING.

WE ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THIS BASE PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFERING OF THE STRUCTURED WARRANTS (“**OFFER**”).

## **STATEMENTS OF DISCLAIMER**

A COPY OF THIS BASE PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA (“**SC**”). THE REGISTRATION OF THIS BASE PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFER OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS BASE PROSPECTUS. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS BASE PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS BASE PROSPECTUS.

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

APPROVAL WILL BE OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) FOR THE LISTING OF AND QUOTATION FOR THE STRUCTURED WARRANTS BEING OFFERED. ADMISSION OF THE STRUCTURED WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR INVITATION, CORPORATION AND SECURITIES.

A COPY OF THIS BASE PROSPECTUS HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES. THE REGISTRAR OF COMPANIES DOES NOT TAKE ANY RESPONSIBILITY FOR ITS CONTENTS.

## **OTHER STATEMENTS**

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS BASE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”).

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THIS BASE PROSPECTUS AND THE SALE OF STRUCTURED WARRANTS IN CERTAIN JURISDICTIONS OUTSIDE MALAYSIA MAY BE RESTRICTED BY LAW. YOU ARE REQUIRED TO BE AWARE AND OBSERVE THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA THAT YOU ARE OR MIGHT BE SUBJECT TO.

ADDITIONAL INFORMATION AND TERMS RELATING TO EACH OFFERING WILL BE SET OUT IN THE RESPECTIVE TERM SHEETS, WHICH WILL BE SUPPLEMENTAL TO, AND SHOULD BE READ IN CONJUNCTION WITH, THIS BASE PROSPECTUS. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS OF THIS BASE PROSPECTUS AND ANY TERM SHEET, THE PROVISIONS OF THE TERM SHEET WILL PREVAIL FOR THE PURPOSE OF SUCH OFFERING.

**THIS BASE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT [www.bursamalaysia.com](http://www.bursamalaysia.com).**

Company No. 15678-H

ON 15 NOVEMBER 2013, THE PERSONAL DATA PROTECTION ACT 2010 (“**PDPA**”) CAME INTO FORCE IN MALAYSIA WITH THE OBJECTIVE OF PROTECTING THE PERSONAL DATA OF INDIVIDUALS WITH RESPECT TO COMMERCIAL TRANSACTIONS. THE DETAILS ON PDPA ARE AVAILABLE AT KIBB’S WEBSITE, [https://www.kentrade.com.my/kentrade/nav\\_privacy.aspx](https://www.kentrade.com.my/kentrade/nav_privacy.aspx).

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THE AUDITED FINANCIAL STATEMENTS OF KIBB ARE AVAILABLE ON [www.kenanga.com.my](http://www.kenanga.com.my).  
 THE AUDITED FINANCIAL STATEMENTS OF KIBB ARE ALSO AVAILABLE ON [www.bursamalaysia.com](http://www.bursamalaysia.com).

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## DEFINITIONS

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All references to “our Company” or “the Issuer” or “the Bank” or “KIBB” in this Base Prospectus are referred to Kenanga Investment Bank Berhad (15678-H), references to “our Group” or “KIBB Group” are referred to our Company and our subsidiaries, and references to “we”, “us” “our” and “ourselves” are to our Company and, except where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of registration of this Base Prospectus with the SC, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

References to the “Government” are to the Government of Malaysia; references to “Ringgit”, “Ringgit Malaysia”, “RM” or “sen” are to the lawful currency of Malaysia, and references to a time of day are to Malaysian time, unless otherwise stated. Words importing the singular shall, where applicable, include plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations. References to a “series” of Structured Warrants are to each type of Structured Warrants to be issued by us based on this Base Prospectus and the term sheet to be issued in support of each series of Structured Warrants.

Any enactment referred to in this Base Prospectus is a reference to that enactment as for the time being amended or re-enacted.

Unless otherwise indicated, operating data in this Base Prospectus is given as at 12 February 2018. Any discrepancies in the tables between the amounts listed and the totals in this Base Prospectus are due to rounding.

The following terms in this Base Prospectus bear the same meanings as set out below, unless the term is defined otherwise or the context otherwise requires:

Act	:	Companies Act 2016, as amended from time to time, and any re-enactment thereof
BAFIA	:	Banking and Financial Institutions Act 1989. The Act has been repealed and replaced by the FSA
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of KIBB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Central Depository System	:	A system that is fully owned and operated by Bursa Depository
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time, and any re-enactment thereof
Code	:	Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time, and any re-enactment thereof
Conditions	:	Terms and conditions in relation to the Structured Warrants
Deed Poll	:	The deed poll dated 19 April 2018 executed by us for the Structured Warrants, as supplemented from time to time. The Term Sheet(s) to be issued for the Structured Warrants will form a new

**DEFINITIONS (Cont'd)**

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		schedule in and supplement the Deed Poll
ECML	:	ECML Berhad (formerly known as ECM Libra Investment Bank Berhad) (682-X)
ECMLFG	:	ECM Libra Financial Group Berhad (713570-K)
EIBB	:	ECM Libra Investment Bank Berhad (now known as ECML Berhad) (682-X)
EPS	:	Earnings per share
ETF	:	Exchange-traded fund
ETF Assets	:	Assets invested by the relevant ETF
ETF Management Company	:	The management company approved by the SC under the CMSA or such other relevant authorities in other jurisdictions, which manages an ETF and creates the ETF Units
ETF Unit(s)	:	Existing issued ordinary units of the relevant ETF
Exercise Notice	:	Notice for exercising the Structured Warrants
Expiry Notice	:	Notice to Warrantheolders in relation to the expiry of the Structured Warrants
FSA	:	Financial Services Act 2013, as amended from time to time, and any re-enactment thereof
FYE	:	Financial year ended
IFB	:	ING Funds Berhad (now known as Kenanga Funds Berhad) (620077-K)
K & N	:	K & N Kenanga Holdings Berhad (302859-X)
KFB	:	Kenanga Funds Berhad (formerly known as ING Funds Berhad) (620077-K)
KIBB or the Issuer or the Bank or Company	:	Kenanga Investment Bank Berhad (15678-H)
KIBB Group or Group	:	KIBB and its subsidiaries
KIB	:	Kenanga Investors Berhad (353563-P)
Listing	:	Listing of and quotation for the Structured Warrants on the Structured Warrants Board of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	9 April 2018, being the latest practicable date before the registration of this Base Prospectus

**DEFINITIONS (Cont'd)**

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Market Day	:	(i) In relation to Structured Warrants issued over Underlying Shares or Underlying ETF, means a day (other than Saturday, Sunday or public holiday) on which the relevant Securities Exchange(s) is/(are) open for trading during the normal trading hours in the respective place where the relevant Underlying Shares or Underlying ETF and Structured Warrants are quoted and traded; or  (ii) In relation to Structured Warrants issued over an Underlying Index, means a day (other than Saturday, Sunday or public holiday) on which the relevant Securities Exchange is open for trading during the normal trading hours in the place where the relevant Underlying Index is compiled and published and the Structured Warrants are quoted and traded,  as the case may be
Market Making	:	The act of entering bid and offer prices in the automated trading system of Bursa Securities
PRS	:	Private Retirement Scheme
Record of Depositors	:	The record provided by Bursa Depository to a listed issuer under chapter 24.0 of the Rules of Bursa Depository
Rules of Bursa Depository	:	The Rules of Bursa Depository as issued under the SICDA
RM and sen	:	Ringgit Malaysia and sen, respectively
ROC	:	The Registrar of Companies
Securities Exchange(s)	:	Such securities exchange or quotation system in Malaysia and securities exchange outside Malaysia in which the Underlying Shares or Underlying ETF or the Underlying Index or Structured Warrants are quoted and/or traded as specified in the relevant Term Sheets
SC	:	Securities Commission Malaysia
SGD	:	Singapore Dollars
SICDA	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time, and any re-enactment thereof
SR	:	Saudi Riyal
Structured Warrants	:	Non-collateralised structured warrants proposed to be issued by the Issuer which include:  (i) American style cash settled call/put warrants over a single equity; (ii) American style cash settled call/put warrants over a basket of equities; (iii) American style cash settled call/put warrants over a single index; (iv) American style cash settled call/put warrants over an ETF;



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**DEFINITIONS (Cont'd)**

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- (v) European style cash settled call/put warrants over a single equity;
- (vi) European style cash settled call/put warrants over a basket of equities;
- (vii) European style cash settled call/put warrants over a single index;
- (viii) European style cash settled call/put warrants over an ETF;
- (ix) European style cash settled CBBCs over a single equity;
- (x) European style cash settled CBBCs over a single index;
- (xi) European style cash settled CBBCs over an ETF; and
- (xii) Bull ELS,

where the equity(ies) and ETF are listed on, and indices are based on Bursa Securities and/or Securities Exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities

Reference to “Structured Warrant” may mean any one of the Structured Warrants in this definition.

- Term Sheet(s) : The document containing the specific terms and conditions and information on a specific series of Structured Warrants, to be issued by us from time to time and which shall be supplemental to and should be read in conjunction with this Base Prospectus
- Underlying Company(ies) : In relation to a particular series of Structured Warrants, the company(ies) or corporation(s) that has/(have) issued the Underlying Shares
- Underlying ETF(s) : In relation to a particular series of Structured Warrants, the units of ETF which are the subject of that particular series of Structured Warrants, as specified in the relevant Term Sheet
- Underlying Index : In relation to a particular series of Structured Warrants, the index which is the subject of that particular series of Structured Warrants, as specified in the relevant Term Sheet
- Underlying Index Sponsor : In relation to a particular series of Structured Warrants, the index sponsor which compiles and publishes the Underlying Index, as specified in the relevant Term Sheet
- Underlying Instrument(s) : In relation to a particular series of Structured Warrants, the Underlying Share or Underlying ETF or Underlying Index as specified in the relevant Term Sheet
- Underlying Shares : In relation to a particular series of Structured Warrants, the shares or shares comprising the basket of shares, which are the subject of that particular series of Structured Warrants, as specified in the relevant Term Sheet
- Warrantholder(s) : The person or persons whose names for the time being appear on the Record of Depositors for the Structured Warrants
- Warrant Registrar : Symphony Share Registrars Sdn. Bhd. (378993-D), being the registrar for the Structured Warrants

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**GLOSSARY OF TECHNICAL TERMS RELATING TO THE STRUCTURED WARRANTS**

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- American style : An American style warrant may be exercised at any time up to and including on the expiry date
- Bull equity-linked structures or Bull ELS : Contract under which the Warrantholder has right to receive on settlement date:
- (i) the principal amount plus the enhanced yield amount, where the closing price of the underlying share on expiry date is at or above the exercise price; or
  - (ii) a specified number of underlying shares or an amount in the form of cash calculated by reference to the price of the Underlying Share, where the closing price of the underlying share on expiry date is below the exercise price
- Callable bull/bear certificate or CBBC : Contract under which upon the occurrence of a mandatory call event, will be called and terminated by the issuer before its expiry date. A Warrantholder shall have actual, contingent or prospective right to receive a cash amount, depending on the fluctuations in the value or price of an underlying instrument, and the amount will be calculated in accordance with the contract
- Call level : In the case of cash-settled CBBCs over an index, the pre-specified level of the underlying instrument at which the CBBC will be called before its expiry date
- Call price : In the case of cash-settled CBBCs over shares or ETF, the pre-specified price of the underlying instrument at which the CBBC will be called before its expiry date
- Call warrant : Contract under which the Warrantholder has the right but not the obligation to buy, a specified number of underlying instrument at a specified price/level on or by a specified future date according to the terms of issue (physical-settled) or to receive cash payment (cash-settled) based on the price/level of the underlying instrument and exercise price/level of the call warrant
- Delta : The relationship between the expected change in the warrant price and the corresponding change in the underlying instrument price, as follows:
- $$\frac{\text{Change in the warrant price} \times \text{Exercise Ratio}}{\text{Change in the underlying instrument price}}$$
- For illustrative purposes, for a call/put warrant with an Exercise Ratio of 2, a delta of 0.50 (call warrant) or -0.50 (put warrant) implies that if the value of the underlying instrument changes by 20 sen, then the value of the call/put warrant should change by 5 sen
- Effective gearing : A measure of the theoretical change in the call/put warrant or CBBC price for a 1% change in the underlying instrument price. The formula for effective gearing is as follows:

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**GLOSSARY OF TECHNICAL TERMS RELATING TO THE STRUCTURED WARRANTS (Cont'd)**

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**Gearing x Delta**

For illustrative purposes only, a gearing of 10 and a delta of 0.50 would equate to an effective gearing multiple of 5 times, which implies that every RM1.00 exposure in a warrant could equate to an effective exposure of RM5.00 in the underlying instrument

- ETF : A listed index-tracking fund structured as a collective investment scheme or any other approved structures whose primary objective is to achieve returns that correspond to the performance of a particular index
- Exercise level : In the case of cash-settled call warrants or callable bull certificates over an index, the level that is subtracted from the level of the underlying index in arriving at the cash settlement amount. In the case of cash-settled put warrants or callable bear certificates over an index, the level from which the level of the underlying index is subtracted in arriving at the cash settlement amount
- Exercise price : In the case of cash-settled call warrants or callable bull certificates over shares or ETF, the price that is subtracted from the price of the underlying shares or underlying ETF in arriving at the cash settlement amount. In the case of cash-settled put warrants or callable bear certificates over shares or ETF, the price from which the price of the underlying shares or underlying ETF is subtracted in arriving at the cash settlement amount
- Exercise style : A Structured Warrant may be exercised either in European style or American style in accordance with the terms of issue
- European style : A European style warrant may only be exercised on the expiry date
- Exercise Ratio / Entitlement : The number of Structured Warrants to which one (1) underlying instrument relates, as specified in the relevant Term Sheets
- Gearing : A measure of the ratio of underlying instruments to which exposure is gained by purchasing one (1) call/put warrant or CBBC. The formula for gearing is as follows:-

$$\frac{\text{Underlying instrument price}}{\text{Warrant price x Exercise Ratio}}$$

For illustrative purposes, for a warrant with an Exercise Ratio of 2, a gearing of 10 implies that every RM1.00 exposure in the warrant could equate to an exposure of RM20.00 in the underlying instrument.

- Implied volatility : A measure of an underlying instrument's expected volatility as reflected by the market price of the traded warrant on that underlying instrument using an appropriate model

All things being equal, in general the higher the expected volatility, the higher the warrant price

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**GLOSSARY OF TECHNICAL TERMS RELATING TO THE STRUCTURED WARRANTS (Cont'd)**

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- In-the-money** : (i) A call warrant or callable bull certificate is in-the-money when the price/level of the underlying instrument is above the exercise price/level of the call warrant or callable bull certificate, i.e. when the call warrant or callable bull certificate has an intrinsic value;
- (ii) A put warrant or callable bear certificate is in-the-money when the price/level of the underlying instrument is below the exercise price/level of the put warrant or callable bear certificate, i.e. when the put warrant or callable bear certificate has an intrinsic value
- Intrinsic value** : Amount by which the price of the underlying instrument exceeds the exercise price/level of the call warrant or callable bull certificate, or the amount by which the price of the underlying instrument is below the exercise price/level of the put warrant or callable bear certificate
- Mandatory Call Event** : The first occurrence at any time before the expiry date of CBBC where the transacted price/level of the underlying instrument is at or below (in respect of a callable bull certificate) or at or above (in respect of a callable bear certificate) the call price/level and upon which the CBBC will be called by the Issuer
- Out-of-the-money** : (i) A call warrant or callable bull certificate is out-of-the-money when the price/level of the underlying instrument is below the exercise price/level of the call warrant or callable bull certificate, i.e. when the call warrant or callable bull certificate does not have any intrinsic value; and
- (ii) A put warrant or callable bear certificate is out-of-the-money when the price/level of the underlying instrument is above the exercise price/level of the put warrant or callable bear certificate, i.e. when the put warrant or callable bear certificate does not have any intrinsic value
- Premium** : The premium of call warrant or callable bull certificate is based on the following computation:
- $$\frac{(\text{Call warrant or callable bull certificate price} \times \text{Exercise Ratio}) + \text{Exercise price} - \text{Underlying instrument price}}{\text{Underlying instrument price}}$$
- The premium of put warrant or callable bear certificate is based on the following computation:
- $$\frac{\text{Underlying instrument price} - [\text{Exercise price} - (\text{Put warrant or callable bear certificate price} \times \text{Exercise Ratio})]}{\text{Underlying instrument price}}$$
- Put Warrant** : Contract under which a warrant holder has an actual, contingent or prospective right to:-
- (i) sell a specified number or units of underlying instrument at a

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**GLOSSARY OF TECHNICAL TERMS RELATING TO THE STRUCTURED WARRANTS *(Cont'd)***

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- specified price/level on or by a specified future date; or
- (ii) receive a cash amount depending on the fluctuations in the value or price/level of an underlying instrument and the amount will be calculated in accordance with the contract
- Strike price : In relation to a particular series of Bull ELS, the strike price is the pre-specified price as determined by the Issuer and as specified in the relevant Term Sheet
- VWAP : Volume weighted average price
- Warrants : Warrants are leveraged financial instruments that derive their value from some other underlying instrument, which includes equities, a basket of different equities, an index or an ETF, and can provide exposure referenced to the underlying instrument

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**1. CORPORATE DIRECTORY**


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**Directors**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Izlan Bin Izhab <i>(Chairman/ Independent Non-Executive Director)</i>	No. 9, Jalan SS14/5C 47500 Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian
Datuk Syed Ahmad Alwee Alsree <i>(Deputy Chairman/ Non-Independent Non-Executive Director)</i>	Demak Jaya 936 Jalan Bako 93250 Kuching Sarawak	Company Director	Singaporean/ Permanent resident of Malaysia
Luigi Fortunato Ghirardello <i>(Non-Independent Non-Executive Director)</i>	25 Namly Place 267172 Singapore	Company Director	Australian
Dato' Richard Alexander John Curtis <i>(Non-Independent Non-Executive Director)</i>	38A, Jalan Tengku Ampuan Taman Duta 50480 Kuala Lumpur Wilayah Persekutuan	Company Director	British/ Permanent resident of Malaysia
Ismail Harith Merican <i>(Non-Independent Non-Executive Director)</i>	No. 9, Jalan 12/19 46200 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Luk Wai Hong, William <i>(Independent Non-Executive Director)</i>	7C Balmoral Park #07-02 Singapore 259865	Company Director	Hong Kong
Jeremy Bin Nasrulhaq <i>(Independent Non-Executive Director)</i>	No. 1, Jalan BU3/3 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Norazian Binti Ahmad Tajuddin <i>(Independent Non-Executive Director)</i>	No. 4, Jalan Paya Lebar Empat 27/10D Seksyen 27 40400 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Kanagaraj Lorenz <i>(Independent Non-Executive Director)</i>	No. 74, Jalan Pudina Bukit Bandaraya Bangsar 59000 Kuala Lumpur Wilayah Persekutuan	Company Director	Malaysian

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## 1. CORPORATE DIRECTORY (Cont'd)

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### Audit Committee

As at the LPD, our Audit Committee comprises the following members:-

<b>Name</b>	<b>Designation</b>	<b>Directorship in KIBB</b>
Jeremy Bin Nasrulhaq	Chairman	Independent Non-Executive Director
Izlan Bin Izhab	Member	Independent Non-Executive Director
Kanagaraj Lorenz	Member	Independent Non-Executive Director
Ismail Harith Merican	Member	Non-Independent Non-Executive Director
Luk Wai Hong, William	Member	Independent Non-Executive Director

### Group Board Risk Committee ("GBRC")

As at the LPD, our GBRC comprises the following members:-

<b>Name</b>	<b>Designation</b>	<b>Directorship in KIBB</b>
Luk Wai Hong, William	Chairman	Independent Non-Executive Director
Luigi Fortunato Ghirardello	Member	Non-Independent Non-Executive Director
Dato' Richard Alexander John Curtis	Member	Non-Independent Non-Executive Director
Kanagaraj Lorenz	Member	Independent Non-Executive Director
Norazian Binti Ahmad Tajuddin	Member	Independent Non-Executive Director

### Group Nomination & Remuneration Committee

As at the LPD, our Group Nomination & Remuneration Committee comprises the following members:-

<b>Name</b>	<b>Designation</b>	<b>Directorship in KIBB</b>
Luk Wai Hong, William	Chairman	Independent Non-Executive Director
Norazian Binti Ahmad Tajuddin	Member	Independent Non-Executive Director
Datuk Syed Ahmad Alwee Alsree	Member	Non-Independent Non-Executive Director
Luigi Fortunato Ghirardello	Member	Non-Independent Non-Executive Director
Jeremy Bin Nasrulhaq	Member	Independent Non-Executive Director

### Company Secretary

Norliza Binti Abd Samad (MAICSA 7011089)  
No. 4, Jalan Anjung 5  
Taman Anjung Melati  
68100 Batu Caves  
Selangor Darul Ehsan

**1. CORPORATE DIRECTORY (Cont'd)**

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<b>Registered Office/Head Office</b>	Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Telephone no.: (03) 2172 2888 Facsimile no.: (03) 2172 2999 Email: <a href="mailto:kenanga@kenanga.com.my">kenanga@kenanga.com.my</a> Website: <a href="http://www.kenanga.com.my">www.kenanga.com.my</a>
<b>Auditors</b>	Ernst & Young (AF 0039) Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Wilayah Persekutuan Telephone no.: (03) 7495 8000 Facsimile no.: (03) 2095 5332
<b>Solicitors</b>	Messrs. Cheang & Ariff 39 Court @ Loke Mansion No. 273A, Jalan Medan Tuanku 50300 Kuala Lumpur Wilayah Persekutuan Telephone no.: (03) 2691 0803 Facsimile no.: (03) 2692 8533
<b>Issuer</b>	Kenanga Investment Bank Berhad (15678-H) Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Telephone no.: (03) 2172 2888 Facsimile no.: (03) 2172 2999
<b>Warrant Registrar</b>	Symphony Share Registrars Sdn. Bhd. (378993-D) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Telephone no.: (03) 7849 0777 Facsimile no.: (03) 7841 8151/8152
<b>Rating Agency</b>	Malaysian Rating Corporation Berhad (364803-V) 19-07, Level 19, Q Sentral 2A Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Wilayah Persekutuan Telephone no.: (03) 2717 2900 Facsimile no.: (03) 2717 2910
<b>Listing Sought</b>	We will seek the approval of Bursa Securities for the listing of and quotation for the Structured Warrants on the Structured Warrants Board of Bursa Securities



## 2. INTRODUCTION

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This Base Prospectus is dated 23 April 2018 and is valid until 22 April 2019.

We have registered a copy of this Base Prospectus with the SC. We have also lodged a copy of this Base Prospectus with the ROC. Neither the SC nor the ROC takes any responsibility for the contents of this Base Prospectus.

We will submit an application to Bursa Securities for the admission, listing of and quotation for each series of Structured Warrants. The Structured Warrants will be listed and traded on the Structured Warrants Board of Bursa Securities, subject to the approval of Bursa Securities.

Pursuant to the Listing Requirements, the additional terms relating to each series of Structured Warrants will be set out in a Term Sheet which will be supplemental to, and should be read in conjunction with, this Base Prospectus.

Under Section 14(1) of the SICDA, Structured Warrants are prescribed securities, which are required to be deposited directly with Bursa Depository into the Central Depository System. Consequently, any dealings in these Structured Warrants will be carried out in accordance with the SICDA and the Rules of Bursa Depository.

The listing of and quotation for each series of the Structured Warrants on the Structured Warrants Board of Bursa Securities are subjected to the following:-

- (i) On initial listing, there must be a minimum number of a hundred (100) Warranholders holding not less than one (1) board lot of the relevant series of Structured Warrants each, or at least fifty (50) Warranholders subscribing for a minimum value of RM100,000 each of the relevant series of Structured Warrants (except for the Bull ELS or if we provide liquidity for the Structured Warrants issue via Market Making); and
- (ii) Each issue of the Structured Warrants must meet the minimum total face amount of RM5 million.

You should rely only on the information contained in this Base Prospectus and the relevant Term Sheets in respect of the Offer. We have not authorised anyone to give you any information that is not contained in this Base Prospectus and the relevant Term Sheets. You should also note that this Base Prospectus or any sale of the Structured Warrants shall not represent or imply that there has been no change in our affairs since the respective dates stated in this Base Prospectus.

We may update or amend this Base Prospectus from time to time by way of successor documents. You should ask us if any supplement to this Base Prospectus or any later Base Prospectus has been issued. Any supplement to this Base Prospectus or any later Base Prospectus will be available on Bursa Securities' website, [www.bursamalaysia.com](http://www.bursamalaysia.com). These documents will also be available for inspection at our registered office or the office of the Warrant Registrar during office hours for a period of twelve (12) months from the date of this Base Prospectus.

The distribution of this Base Prospectus and the sale of the Structured Warrants in certain other jurisdictions outside Malaysia may be restricted by law. You should be aware of any restrictions and observe them. This Base Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for or an offer to sell any Structured Warrants in any jurisdiction, in which such invitation or offer is unauthorised or unlawful or to any persons to whom it is unlawful to make such an invitation or offer.

**You should rely on your own evaluation to assess the merits and risks of the Offer and an investment in the Structured Warrants. In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

### 3. SUMMARY INFORMATION

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**This summary highlights some salient information about the Offer and us. You should read and understand the whole Base Prospectus and the relevant Term Sheet before you decide whether to invest in the Structured Warrants.**

#### 3.1 The Offer

We propose to issue the following non-collateralised structured warrants:

- (i) American style cash settled call/put warrants over a single equity;
- (ii) American style cash settled call/put warrants over a basket of equities;
- (iii) American style cash settled call/put warrants over a single index;
- (iv) American style cash settled call/put warrants over an ETF;
- (v) European style cash settled call/put warrants over a single equity;
- (vi) European style cash settled call/put warrants over a basket of equities;
- (vii) European style cash settled call/put warrants over a single index;
- (viii) European style cash settled call/put warrants over an ETF;
- (ix) European style cash settled CBBCs over a single equity;
- (x) European style cash settled CBBCs over a single index;
- (xi) European style cash settled CBBCs over an ETF; and
- (xii) Bull ELS,

where the equity(ies) and ETF are listed on, and indices are based on Bursa Securities and/or Securities Exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities.

We will issue the Structured Warrants from time to time by way of Market Making through this Base Prospectus supported by a Term Sheet to be issued before we issue each series of the Structured Warrants.

Further information on the Offer and the Structured Warrants are set out in Sections 5 and 6 of this Base Prospectus respectively.

#### 3.2 Information on KIBB

Our Company was incorporated in Malaysia under the Act on 6 September 1973 as a private company under the name of K & N Kenanga Sdn. We subsequently converted to a private limited company under the name of K & N Kenanga Sdn Bhd on 10 May 1975. Following the conversion to a public limited company on 7 December 1995, our name was changed to K & N Kenanga Bhd. We assumed our present name, Kenanga Investment Bank Berhad since 5 January 2007 when we were granted the investment bank status. We are a financial institution under the FSA and are regulated by BNM, the SC and Bursa Securities.

On 7 June 1994, our holding company, K & N was incorporated following a restructuring exercise which involved the entire issued and paid-up share capital of KIBB being acquired by K & N via the issuance of new ordinary shares of RM1.00 each in K & N to the existing shareholders of KIBB. Upon completion of the exercise, KIBB became a wholly-owned subsidiary of K & N. Subsequently, K & N was listed on the Main Board of Bursa Securities on 8 October 1996.

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### 3. SUMMARY INFORMATION (Cont'd)

In May 2002, we were granted universal broker status by the SC. On 13 October 2005, BNM and the SC jointly announced that the framework on investment banks was to be extended to universal brokers. This move was aimed towards further enhancing the capacity and capabilities of domestic capital market intermediaries to contribute towards the development of a more resilient, competitive and dynamic financial system and support economic transformation. In line with the move, we were granted a licence by the Minister of Finance II under Section 6(4) of the then BAFIA to carry on merchant banking business in Malaysia with effect from 5 January 2007 (with effect from 30 June 2013, BAFIA has been replaced with FSA).

We attained investment banking status in 2007 and have since been actively pursuing various initiatives to strengthen our investment banking platform. Today, we offer a wide range of financial products and services such as Structured Warrants, margin financing, structured lending and structured debt instrument via our corporate and institutional coverage, corporate finance, debt capital markets, equity capital markets, corporate banking, Islamic finance, equity broking, equity derivatives, treasury, as well as investment research and advisory services. We also offer fund management, derivatives broking and structured financing via our subsidiaries.

On 1 November 2016, KIBB Group had completed an internal reorganisation of its corporate structure where the identified assets and liabilities, as well as the businesses of K & N were transferred to KIBB. On 2 November 2016, K & N transferred its listing status on the Main Market of Bursa Securities to KIBB and hence, KIBB became the primary operating and listed entity of Kenanga Group.

As at the LPD, KIBB's issued share capital is RM246,202,300 comprising 722,660,999 ordinary shares.

Please refer to Section 6.1.4 for the diagram of our subsidiaries and associate companies.

Details of our subsidiaries and associate companies as at the LPD are as follows:-

Company	Date and Place of Incorporation	Issued Share Capital RM (unless stated otherwise)	Effective Equity Interest %	Principal Activities
<i><u>Subsidiaries of Kenanga Investment Bank Berhad</u></i>				
Kenanga Nominees (Tempatan) Sdn Bhd (16778-M)	19.12.1973 Malaysia	2	100	Provision of nominee services
Kenanga Nominees (Asing) Sdn Bhd (280043-U)	28.10.1993 Malaysia	3	100	Provision of nominee services
Kenanga Investors Berhad (353563-P)	2.8.1995 Malaysia	18,465,300	100	Promotion and management of collective investment schemes and the management of investment funds

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**3. SUMMARY INFORMATION (Cont'd)**


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<b>Company</b>	<b>Date and Place of Incorporation</b>	<b>Issued Share Capital RM (unless stated otherwise)</b>	<b>Effective Equity Interest %</b>	<b>Principal Activities</b>
ECML Berhad (682-X)	2.6.1930 Malaysia	1,000	100	Dormant
ECML Nominees (Tempatan) Sdn Bhd (938-T)	10.2.1938 Malaysia	50	100	Dormant
Avenue Kestrel Sdn Bhd (97150-A)	3.2.1983 Malaysia	39,000,000	100	Dormant
Kenanga Futures Sdn Bhd (formerly known as Kenanga Deutsche Futures Sdn Bhd) (353603-X)	2.8.1995 Malaysia	5,000,000	100	Futures broker
Kenanga Singapore Pte. Ltd. (201433886E)	12.11.2014 Singapore	SGD 1	100	Dormant
K & N Kenanga Holdings Berhad (302859-X)	7.6.1994 Malaysia	2	100	Investment holding
Kenanga Capital Sdn Bhd (440102-V)	24.7.1997 Malaysia	13,000,000	100	Licensed money lender
Kenanga Management & Services Sdn Bhd (61262-V)	7.8.1980 Malaysia	600,000	100	Provision of car park management services
Kenanga Private Equity Sdn Bhd (423059-P)	14.3.1997 Malaysia	1,750,000	100	Private equity management
<i><u>Subsidiary of K &amp; N Kenanga Holdings Berhad</u></i>				
SSSB Management Services Sdn Bhd (219322-W)	20.6.1991 Malaysia	180,000,000	100	Dormant
<i><u>Subsidiaries of Kenanga Investors Berhad</u></i>				
KUT Nominees (Tempatan) Sdn Bhd (569605-D)	23.1.2002 Malaysia	2	100	Dormant

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**3. SUMMARY INFORMATION (Cont'd)**


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<b>Company</b>	<b>Date and Place of Incorporation</b>	<b>Issued Share Capital RM (unless stated otherwise)</b>	<b>Effective Equity Interest %</b>	<b>Principal Activities</b>
KUT Nominees (Asing) Sdn Bhd (569602-K)	23.1.2002 Malaysia	2	100	Dormant
Kenanga Islamic Investors Berhad (451957-D)	5.11.1997 Malaysia	5,000,000	100	Managing Islamic collective investment schemes and Islamic investment funds
Kenanga Funds Berhad (620077-K)	30.6.2003 Malaysia	22,450,000	100	Dormant
<i><u>Subsidiary of Kenanga Capital Sdn Bhd</u></i>				
Kenanga Capital Islamic Sdn Bhd (938908-X)	4.4.2011 Malaysia	2,500,000	100	Islamic factoring and leasing
<i><u>Associate Company of Kenanga Investment Bank Berhad</u></i>				
Al Wasatah Al Maliah Company (Commercial Registration No. 1010241832)	30.12.2007 Kingdom of Saudi Arabia	SR250,000,000	29.6	Dealing as principal and to provide underwriting, arranging, managing investment funds and custodian services
<i><u>Associate companies of K &amp; N Kenanga Holdings Berhad</u></i>				
Kenanga Vietnam Securities Joint Stock Corporation (72/UBCK - GPHDKD)	3.12.2007 Vietnam	Vietnamese Dong ("VND") 135,000,000,000	49	Securities, brokerage, depository and advisory business
Kenanga Investment Corporation Ltd (PB300)	28.11.2006 Sri Lanka	Sri Lankan Rupee ("LKR") 25,000,070	45	Investment banking related activities

### 3. SUMMARY INFORMATION (Cont'd)

Company	Date and Place of Incorporation	Issued Share Capital RM (unless stated otherwise)	Effective Equity Interest %	Principal Activities
<i>Joint Venture of Kenanga Investment Bank Berhad</i>				
Rakuten Trade Sdn Bhd (formerly known as EB Global JV Sdn Bhd) (266701-P)	11.6.1993 Malaysia	40,000,000	50	Dealing in listed securities, online brokerage services and providing investment advice

#### 3.3 Purpose of the Offer

The purpose of the Offer is to participate and contribute to the development of Structured Warrants market in Malaysia. The trading of Structured Warrants also enables us to earn revenue in which the proceeds from the Offer will be utilised for our general working capital requirements and to defray expenses for the Offer.

#### 3.4 Risk Factors in relation to Structured Warrants

Before investing in the Structured Warrants, you should carefully consider the risk factors summarised below which may not be exhaustive and the risk factors on the relevant Underlying Instruments set out in the relevant Term Sheets to be issued, in addition to other information contained elsewhere in this Base Prospectus and the relevant Term Sheets.

Investment in the Structured Warrants involves different risks including our credit risk and the risk that you may sustain total loss of your investment in the Structured Warrants.

You should consider carefully whether the Structured Warrants are suitable for you taking into account your experience, objectives, financial position and other relevant circumstances. The Structured Warrants are not suitable for investors who do not have adequate knowledge in options and warrants.

Some of the risks involved are as set out below:-

(i) Risks relating to the Issuer:-

- Credit risk;
- Trading by KIBB Group;
- Exercise of discretion by us;
- No investigation or review performed on the Underlying Companies or the Underlying Instruments;
- Potential and actual conflict of interest situations arising from the business activities of the KIBB Group; and
- Early termination due to liquidation dissolution or winding-up.

(ii) Risks relating to the Structured Warrants:-

- General investment risks;
- Factors affecting the price of the Structured Warrants;
- Time decay;

### 3. SUMMARY INFORMATION *(Cont'd)*

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- Warrantheolders do not have similar rights as the holders of the Underlying Instruments;
  - Risk of “European Style” Structured Warrants;
  - Gearing effect and correlation;
  - No prior market for the Structured Warrants or insufficient market information on the Underlying Shares and/or ETF;
  - Impact of corporate actions;
  - KIBB discretion to determine the Underlying index level;
  - Impact of investment decisions entered by the trustee or management company of the ETF;
  - Tracking error in the price of the Underlying ETF;
  - Economic, political and regulatory uncertainties;
  - Market disruption and settlement disruption events; and
  - Exchange rate risk.
- (iii) Risks relating to the Structured Warrants over CBBCs:-
- General investment risks
  - Mandatory Call Event is irrevocable;
  - Delay in announcement of Mandatory Call Event;
  - Non-recognition of Post Mandatory Call Event Trades;
  - Fluctuation in the funding cost;
  - Hedging and unwinding of hedging activities may affect the value of CBBCs;
  - Limited life of the CBBCs; and
  - CBBCs can be volatile.
- (iv) Factors affecting liquidity:-
- Suspension in the trading of the Underlying Instruments and/or Structured Warrants;
  - Trading liquidity of our Structured Warrants; and
  - Delay in or abortion of the Listing.
- (v) Other risks:-
- Timeliness and limitation of information regarding the Underlying Companies and Underlying Instruments; and
  - Compliance with the relevant laws and regulations by the Underlying Companies or Underlying Instruments.

Details on the above risk factors are set out in Section 4 of this Base Prospectus.

### 3.5 Risk Management

Group Risk Management (“**GRM**”) has developed an enterprise risk management framework as a pillar that encapsulated the risk guidelines and practices that are prescribed by BNM, SC, Bursa Securities and other related regulatory bodies. Existing risk management guidelines and procedures by business units are in place to manage and monitor the day-to-day operations. The risk governance structure in the framework defines the roles and responsibilities throughout the organization to ensure accountability and ownership.

Under the risk governance structure, GRM reports to the Board appointed committee that is the Group Board Risk Committee (“**GBRC**”) comprising of Non-Executive Directors of KIBB, which was established in May 2006 as part of the Board delegated authority to identify, assess, manage and control different types of risks affecting the Group, which include credit risk, market risk, operational risk and liquidity risk. The GBRC is supported by the Group Risk

### 3. SUMMARY INFORMATION (Cont'd)

Committee, which meets regularly and specific risks are monitored, reviewed and reported to the GBRC and to the Board where risk dashboards are presented and addressed:

- Market risk, arising from fluctuations in the value of a trading or investment exposure from market risk factors such as interest/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices, and their associated volatility;
- Credit risk, arising from the creditworthiness or losses to be incurred from the failure by the counterparty (such as the issuer of securities or other financial instruments held by the Group) to perform its contractual obligations to the Group;
- Liquidity risk, arising from a bank's inability to meet its present and future funding needs or regulatory obligations, when they come due, which may adversely affect its daily operations and incur unacceptable losses;
- Operational risk, arising from internal processes which may result from inadequacies or failures in processes, controls or projects due to fraud, unauthorised activities, error, omission, inefficiency, systems failures or from external events.

In ensuring a standardised approach to risk management across the Group, all risk management teams within the Group are required to conform to the Group's enterprise risk management framework.

#### 3.6 Experience in issuance and management of structured warrants

On 12 May 2008, 24 July 2009, 10 December 2010, 9 May 2012, 19 August 2013, 29 September 2014, 31 December 2015, 12 April 2017 and 30 November 2017 we issued Base Prospectus and Supplementary to the Base Prospectus relating to the offering of the following structured warrants:-

- (i) American style cash settled warrants over a single equity;
- (ii) American style cash settled warrants over a basket of equities;
- (iii) American style cash settled warrants over a single index;
- (iv) American style cash settled warrants over an ETF (introduced from 24 July 2009);
- (v) European style cash settled warrants over a single equity;
- (vi) European style cash settled warrants over a basket of equities;
- (vii) European style cash settled warrants over a single index;
- (viii) European style cash settled warrants over an ETF (introduced from 24 July 2009);
- (ix) European style cash settled CBBCs over a single equity (introduced from 10 December 2010);
- (x) European style cash settled CBBCs over a single index (introduced from 10 December 2010);
- (xi) European style cash settled CBBCs over an ETF (introduced from 10 December 2010); and
- (xii) Bull ELS.

As at the LPD, we have issued the following Structured Warrants. A summary of our issuance of Structured Warrants is as follows:

Type	Exercise style	Settlement type	Number of Structured Warrants listed
<u>Issued under Base Prospectus dated 12 May 2008</u>			
Call Warrants	European	Cash	3
<u>Issued under Base Prospectus dated 24 July 2009</u>			
Call Warrants	European	Cash	16



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**3. SUMMARY INFORMATION (Cont'd)**


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Type	Exercise style	Settlement type	Number of Structured Warrants listed
<u>Issued under Base Prospectus dated 10 December 2010</u>			
Call Warrants	European	Cash	20
<u>Issued under Base Prospectus dated 9 May 2012</u>			
Call Warrants	European	Cash	21
<u>Issued under Base Prospectus dated 19 August 2013</u>			
Call Warrants	European	Cash	24
<u>Issued under Base Prospectus dated 29 September 2014</u>			
Call Warrants	European	Cash	88
Put Warrants	European	Cash	8
<u>Issued under Base Prospectus dated 31 December 2015</u>			
Call Warrants	European	Cash	112
Put Warrants	European	Cash	3
<u>Issued under Base Prospectus dated 12 April 2017 and First Supplementary Base Prospectus dated 30 November 2017</u>			
Call Warrants	European	Cash	217

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## **4. RISK FACTORS**

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**BEFORE INVESTING IN THE STRUCTURED WARRANTS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) AND THE RISK FACTORS ON THE RELEVANT UNDERLYING INSTRUMENTS SET OUT IN THE RELEVANT TERM SHEETS TO BE ISSUED, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS BASE PROSPECTUS AND THE RELEVANT TERM SHEETS.**

**INVESTMENTS IN THE STRUCTURED WARRANTS INVOLVE DIFFERENT RISKS INCLUDING MARKET RISK, LIQUIDITY RISK, CREDIT RISK AND THE RISK THAT YOU MAY SUSTAIN TOTAL LOSS OF YOUR INVESTMENT IN THE STRUCTURED WARRANTS.**

**YOU SHOULD CONSIDER CAREFULLY WHETHER THE STRUCTURED WARRANTS ARE SUITABLE FOR YOU TAKING INTO ACCOUNT YOUR EXPERIENCE, OBJECTIVES, FINANCIAL POSITION AND OTHER RELEVANT CIRCUMSTANCES. YOU SHOULD POSSESS ADEQUATE KNOWLEDGE OF THE STRUCTURED WARRANTS BEFORE INVESTING.**

### **4.1 RISKS RELATING TO THE ISSUER**

#### **4.1.1 Credit risk**

Each Structured Warrant is a contract between us and the Warrantholder and of no other persons. Our obligations in respect of the Structured Warrant represent general unsecured contractual obligations, which will rank equal with other existing and future general contractual obligations. If you purchase the Structured Warrants, you should note that you would be relying on the creditworthiness of our Company alone. You have no rights under the Structured Warrants against the Underlying Companies, the trustee or manager of the Underlying ETF, the Underlying Index Sponsor or any company forming part of any indices to which the Structured Warrants relate.

You must therefore make your own assessments of the credit risk associated with KIBB, and our ability to perform our obligations in respect of the Structured Warrants. Details on our risk management and KIBB's credit rating profile are set out in Sections 6.7 and 6.1.3 respectively of this Base Prospectus. In addition, a summary of our historical financial information is set out in Section 6.9 herein.

You should note however that ratings assigned by rating agencies reflect their opinion on credit risk, which is only one aspect of your investment decision, and ratings are subject to change. You should not construe the rating as an investment advice, nor a recommendation to invest in the Structured Warrants. Accordingly, you should evaluate the Structured Warrants on your own or consult your investment adviser.

#### **4.1.2 Trading by KIBB Group**

KIBB Group may at any time purchase or buy-back the Structured Warrants in the open market or by tender or private treaty and become the holder of the Structured Warrants. Any Structured Warrants purchased may be held or resold and may also be surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if KIBB Group purchased all the outstanding Structured Warrants.

We may trade in the Structured Warrants, the Underlying Shares or any other securities and financial products relating to any of the Underlying Companies, Underlying ETF or Underlying Index to hedge our position in relation to the Structured Warrants. We or other members of the KIBB Group may also trade in the Structured Warrants as liquidity provider. Other companies within the KIBB Group may also trade in the Structured Warrants, the Underlying Shares or any other securities and financial products relating to any of the Underlying Companies, Underlying ETF or Underlying Index. These trading activities may affect (positively or negatively) the price at which the Structured Warrants, the Underlying Shares or the Underlying ETF (as the case may be) are traded on Bursa Securities or other Securities Exchange outside Malaysia.

#### **4. RISK FACTORS (Cont'd)**

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##### **4.1.3 Exercise of discretion by us**

You should note that the Conditions confer discretion to us including, amongst others, discretion to make adjustments contemplated under the Conditions, which could affect the price of the Structured Warrants.

Warrantheolders do not have the power to direct us concerning the exercise of any discretion, although in some cases, we may only exercise certain discretions with the consent of the relevant authorities.

You are advised to refer to Annexure I of this Base Prospectus, and the relevant Term Sheets to be issued for circumstances that may result in the exercise of discretion by us.

##### **4.1.4 No investigation or review performed on the Underlying Companies or the Underlying Instruments**

We make no warranty to have conducted any review or investigation on the business operations and prospects of the Underlying Companies, the Underlying ETF, the Underlying Index Sponsor or the companies constituting the Underlying Index or the Underlying ETF. Therefore, you should not assume that the issue of Structured Warrants represents a recommendation by us of investing in the Underlying Companies, the Underlying ETF, the Underlying Index or the companies constituting the Underlying Index.

In addition, you should be aware that the Underlying Companies, the Underlying Index Sponsor or the companies constituting the Underlying Index will not participate in establishing the terms and conditions of the Structured Warrants. Further, the Underlying Companies, the Underlying Index Sponsor, or the companies constituting the Underlying Index have no obligation with respect to the settlement amount to be paid to you (if any) upon exercise of the Structured Warrants, including any obligation to take into account, for any reason, our needs, or your needs.

In addition, you should be aware that the trustee, custodian, manager, registrar, service agent, participating dealer or other persons involved in constituting or the listing or trading of the Underlying ETF will not participate in establishing the terms and conditions of the Structured Warrants. Further, such persons have no obligation with respect to the settlement amount to be paid to you (if any) upon exercise of the Structured Warrants, including any obligation to take into account, for any reason, our needs, or your needs.

##### **4.1.5 Potential and actual conflict of interest situations arising from the business activities of the KIBB Group**

KIBB Group is involved in a wide range of investment banking, securities broking, corporate advisory, fund management, and other activities for its proprietary accounts and/or for accounts under its management. In the ordinary course of business of KIBB Group, including without limitation in our capacity as liquidity provider, KIBB Group may effect transactions for its account or for its customers and may hold positions in the Underlying Instruments and/or related derivatives. In connection with the offering of any Structured Warrants, we may also enter into hedging transactions with respect to the Underlying Instruments. These transactions in the Underlying Instruments or related derivatives may affect the market price, liquidity of the Structured Warrants and affect the interests of Warrantheolders.

In the ordinary course of business of the KIBB Group, it may also possess or acquire material information about the Underlying Instruments.

The above activities and information may involve or otherwise affect the issuers of the Underlying Instruments in a manner which may cause adverse consequences to the Warrantheolders or otherwise create conflicts of interests in connection with the issue of Structured Warrants. Such actions and conflicts may include without limitation, the purchase

#### **4. RISK FACTORS (Cont'd)**

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and sale of securities, financial advisory relationships and exercise of creditor rights. We may also issue other derivative instruments in respect of the same Underlying Instrument which may compete with the Structured Warrants and may affect the price of the Structured Warrants. KIBB Group has no obligation to disclose such information about the Underlying Instrument or such activities unless it is required by the laws and regulations.

##### **4.1.6 Early termination due to liquidation, dissolution or winding-up**

Should we be liquidated or dissolved, or a receiver and/or administrator be appointed in respect of the whole or substantially the whole of our undertakings, properties or assets, the Structured Warrants will be exercised early and settled in cash as determined by us subject to the terms of the Deed Poll. Hence, there is a risk that the Structured Warrants may be cancelled before the relevant expiry date of such Structured Warrants and cause you to suffer a loss or a reduced profit.

#### **4.2 RISKS RELATING TO THE STRUCTURED WARRANTS**

Generally, Structured Warrants can be volatile instruments and tend to decline in value over time. They are subject to a number of risks as set out below:-

##### **4.2.1 General investment risks**

If you are considering acquiring the Structured Warrants, it is recommended that you should have experience in warrant or option transactions and should reach an investment decision only after carefully considering, with your adviser, the suitability of the Structured Warrants for you. The Structured Warrants are considered to be suitable only for those who understand the risks involved and are prepared to sustain a complete loss of the subscription price paid for the Structured Warrants or in the case of Bull ELS, end up with Underlying Shares with a value lower than the subscription price paid for the Bull ELS.

An investment in the Structured Warrants is not the same as owning the Underlying Shares, Underlying ETF or having a direct investment in the Underlying Shares or shares of companies constituting the Underlying Index. The market price of Structured Warrants is linked to the market price/level of the relevant Underlying Instruments and will be influenced (positively and negatively) by them. Further, the changes between the market price of the Structured Warrants and the market price/level of the Underlying Instruments may not be directly correlated and may be disproportionate. It is possible that while the Underlying Instruments increase in price/level, the price of the Structured Warrants fall.

The price of the Structured Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. If the cash settlement amount at expiry or upon a Mandatory Call Event is less than or equal to zero, you will lose the entire value of your investment. In particular for CBBCs, you will not be able to profit from the subsequent price movement of the Underlying Instruments.

It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each investor. This outline by its nature cannot identify all of the relevant considerations, which may be a risk for individual investors. You should therefore consider carefully whether the Structured Warrants is suitable for you taking into account your circumstances and financial position.

##### **4.2.2 Factors affecting the price of the Structured Warrants**

The price at which the Structured Warrants trade on Bursa Securities depends on, amongst others: the trading activity; the exercise price/exercise level of the Structured Warrants; the price; volatility and liquidity of the Underlying Shares; the Underlying ETF; the general performance of the Underlying Index; the time remaining to expiration; changes in interim

#### **4. RISK FACTORS (Cont'd)**

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interest rates and dividend yields of the Underlying Companies and the depth of the secondary market.

The trading price of the Underlying Instruments is affected by the trading activity of the Underlying Instruments. In turn, the trading activity for the Underlying Instruments is influenced by the operational and financial conditions, future prospects and business strategy as well as changes in the regulatory and economic environment. You are warned that the price of the Structured Warrants may fall in value as rapidly as it may rise. Changes in the price of the Underlying Shares and Underlying ETF or the level of the Underlying Index can be unpredictable, sudden and large, and such changes may result in the price of the Structured Warrants to move in a direction which may have a negative impact on the return of your investment. If the price of the Underlying Shares, Underlying ETF or Underlying Index does not move in the anticipated direction, it will negatively impact the return on your investment. The loss, however, will be limited to the subscription price paid for the Structured Warrants and any relevant transaction costs.

Investing in Bull ELS involves market risk. Changes in the price of the Underlying Shares may result in the price of the Underlying Shares falling below the strike price. Investors in the Bull ELS should recognise the possibility that the Bull ELS may expire worthless or may convert into Underlying Shares which market value could be equal or lower than the strike price.

There is no assurance that the market price of the Structured Warrants will, upon and after the Listing, be equal to or exceed the price paid by investors.

##### **4.2.3 Time decay**

Structured Warrants are generally more valuable when the remaining life of the Structured Warrants are longer. In the case of CBBCs, the lifespan may be shorter if a Mandatory Call Event occurs before the expiry date, in which case, such CBBCs will be called and terminated immediately. When CBBCs are called and terminated early, you will lose the funding cost for the remaining period and will not benefit from subsequent price/level movement of the Underlying Instrument.

If the cash settlement amount on expiry date after deducting all incidental expenses is greater than zero, the outstanding Structured Warrants will be automatically exercised. However, if the cash settlement amount on expiry date after deducting all incidental expenses is equal to or less than zero, all outstanding Structured Warrants will cease to be valid without any payment made to the Warranholders.

After expiry, the Structured Warrants will cease to be traded. It is possible that the Structured Warrants will expire without the Warranholders' expectations being realised.

##### **4.2.4 Warranholders do not have similar rights as the holders of the Underlying Instruments**

Structured Warrants which are cash-settled do not confer on the Warranholders any rights to the Underlying Instruments. We are not required or under any obligation to purchase, hold or deliver the Underlying Instruments, or any attached rights and benefits.

The Bull ELS do not confer Warranholders any rights to the Underlying Shares, until and unless, the Underlying Shares have been delivered by us to the Warranholders of Bull ELS in accordance with the Conditions. In addition, Bull ELS over foreign Underlying Shares are cash-settled and Warranholders of such Bull ELS do not have any rights to the Underlying Shares.

In addition, there are no custody arrangements relating to the Underlying Shares, nor does the Deed Poll create any security interest in favour of the Warranholders to secure the payment or settlement obligations arising under the Structured Warrants. Accordingly, if our Company becomes insolvent, Warranholders will not have any direct rights over the

#### **4. RISK FACTORS (Cont'd)**

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Underlying Shares, the Underlying ETF, the Underlying Index or the companies constituting the Underlying Index or Underlying ETF.

##### **4.2.5 Risk of “European Style” Structured Warrants**

European style Structured Warrants are only exercisable on its expiry date. The price of such Structured Warrants in the secondary market may be traded at a discount (or premium, as the case may be) to its estimated fair value under certain circumstances, including supply and demand factors. Accordingly on the expiry date, if the cash settlement amount is zero or negative, you will lose the value of your investment.

##### **4.2.6 Gearing effect and correlation**

The gearing provided by investing in the Structured Warrants (save for the Bull ELS) means that the risk of investment may be greater than in the case of an investment of the same amount in the Underlying Instruments. You should therefore understand these risks fully before investing in the Structured Warrants.

There is no assurance that the price of the Structured Warrants will correlate with the movements in price or level of the Underlying Instruments. The Structured Warrants may expire with significantly less value, or of no value at all if the price or level of the Underlying Instrument falls below (for call warrants and callable bull certificates) or rises above (for put warrants and callable bear certificates) the exercise price/exercise level of the Structured Warrants.

##### **4.2.7 No prior market for the Structured Warrants or insufficient market information on the Underlying Shares and/or Underlying ETFs**

The Structured Warrants will be issued and subsequently listed on Bursa Securities. As there has been no recent or prior market for a particular series of Structured Warrants before its issuance, there can be no assurance that an active market for that particular series of Structured Warrants will develop upon its listing, or if developed, that such market will sustain throughout the life of the Structured Warrants. Although we will be acting as liquidity provider and making markets by providing bid and offer prices for the Structured Warrants on the trading system of Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing.

Furthermore, there will be circumstances under which the liquidity provider may not be able to, and shall not be obliged to, provide bid and offer prices, nor reply to a request for prices. Such circumstances may include, but without limitation, the circumstances described in Section 5.2 of this Base Prospectus.

In addition, the Listing Requirements allow the issuance of Structured Warrants over the Underlying Shares or Underlying ETFs which are listed on a Securities Exchange outside Malaysia for less than 3 calendar months, subject to the Underlying Companies or Underlying ETF having an average daily market capitalisation equivalent to at least RM5 billion. In such cases, there may not be sufficient market information or track record for the Underlying Shares or Underlying ETF prior to the offering of the Structured Warrants.

Furthermore, in an active market for the Underlying Shares or Underlying ETF, there can be no assurance that the active market for the Underlying Shares, Underlying ETF and/or the Structured Warrants will sustain in the foreseeable future.

#### **4. RISK FACTORS (Cont'd)**

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##### **4.2.8 Impact of corporate actions**

An investment in the Structured Warrants involves valuation risks in relation to the Underlying Instruments. The price or level of the Underlying Instruments may increase or decrease over time due to various factors including, amongst others, corporate actions by the Underlying Companies (rights issues, issue of shares out of capitalisation of profits or reserves, consolidation or sub-division of share capital etc.) or otherwise, changes in computation or composition of the Underlying Index or corporate actions by the companies constituting the Underlying Index or otherwise and corporate actions by the trustee of an Underlying ETF or otherwise. The Conditions provide for limited anti-dilution protection and certain events relating to the Underlying Instruments require, or as the case may be, permit us to make adjustments or amendments to, amongst others, the exercise price, exercise level, call price or call level of the Structured Warrants, but only to the extent provided for in the Conditions.

There is no requirement that there should be an adjustment for every corporate action or other events that may affect the Underlying Instruments. Events in respect of which no adjustment is made to the exercise price or component may cause the Structured Warrants to be out-of-the-money and/or affect the trading price of the Structured Warrants and your returns from the Structured Warrants.

You are advised to refer to Annexure I Principal Terms of the Deed Poll of this Base Prospectus, and the Term Sheets for events that may cause adjustments to the exercise price, exercise level, call price or call level, component and/or number of Underlying Instruments. You are strongly advised to understand the effects of such adjustments on your investment in the Structured Warrants.

Should the Underlying Shares be delisted or the Underlying Companies be:-

- (i) liquidated, dissolved or wound-up; or
- (ii) a liquidator, receiver or administrator be appointed with respect to substantially the whole of the Underlying Companies' assets, to wind-up the Underlying Companies,

the outstanding Structured Warrants will be automatically exercised and settled in accordance with the provisions of the Deed Poll and the terms and conditions set out in this Base Prospectus. It is possible that the Structured Warrants will be terminated before the expiry date of the Structured Warrants without the Warrantheolders' expectations being realised.

##### **4.2.9 KIBB discretion to determine the underlying index level**

Certain events relating to an index (including material change in formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula or method last in effect prior to such change of formula on the relevant series of Structured Warrants to be exercised and settled in cash.

##### **4.2.10 Impact of investment decisions entered by the trustee or management company of the ETF**

In the case of Structured Warrants which relate to ETF Units:-

- (i) the KIBB Group is not able to control or predict the actions of the trustee or the manager of the relevant Underlying ETF. Neither the trustee nor the manager of the relevant Underlying ETF:-
  - (a) is involved in the offer of any KIBB's Structured Warrant in any way; or

#### **4. RISK FACTORS (Cont'd)**

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- (b) has any obligation to consider the interest of the Warrantheolders of any Structured Warrants in taking any actions that might affect the value of any Structured Warrants.
- (ii) The trustee or manager of the relevant Underlying ETF is responsible for making investment and other trading decisions with respect to the management of the relevant Underlying ETF consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the relevant Underlying ETF. The manner in which the relevant Underlying ETF is managed and the timing of actions may have a significant impact on the performance of the relevant Underlying ETF. Hence, the market price of the relevant ETF Units is also subject to these risks.

##### **4.2.11 Tracking error in the price of the Underlying ETF**

The following are some of the factors which may result in the trading price of the ETF Units varying from the net asset value ("NAV") per ETF Unit and in turn affecting the price of our Structured Warrants:-

- (i) the fees and expenses incurred by the Underlying ETF such as transactional expenses and taxes incurred; or
- (ii) regulatory requirements may affect the management company of the Underlying ETF but not the ETF Assets

##### **4.2.12 Economic, political and regulatory uncertainties**

The financial and business prospects of an Underlying Company may be materially and adversely affected by the change in the economic, political and/or regulatory conditions of the countries in which the Underlying Company operates and the Securities Exchange on which the Underlying Company is listed. The same factors may also materially and adversely affect the performance of the Underlying Index or the Underlying ETF. Such economic, political and regulatory uncertainties include, changes in political leadership, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates, methods of taxation and currency exchange rules.

##### **4.2.13 Market disruption and settlement disruption events**

You should note that there might be a delay in the determination and payment of the cash settlement or delivery of the physical settlement upon the exercise of the Structured Warrants by the Warrantheolders or upon expiry or upon Mandatory Call Event of the Structured Warrants if there is a market disruption event or a settlement disruption event.

##### **4.2.14 Exchange rate risk**

An investment in our Structured Warrants may involve exchange rate risk where the cash settlement amount may be converted from a foreign currency into Ringgit Malaysia or the Underlying Instrument may be denominated in a foreign currency. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and speculation.



#### **4. RISK FACTORS (Cont'd)**

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### **4.3 RISKS RELATING TO THE STRUCTURED WARRANTS OVER CBBCS**

#### **4.3.1 General investment risks**

If you are considering acquiring any CBBCs, you should have experience in option transactions and should reach your investment decision only after carefully considering, with your adviser, the suitability of the CBBCs to you. **The CBBCs are considered to be suitable only for those who fully understand the risks involved and are prepared to sustain a complete loss of the purchase price paid for the CBBCs.**

The price of the CBBCs may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. In particular, if the cash settlement amount payable at expiry or upon the occurrence of a Mandatory Call Event is less than or equal to zero, you will lose the entire value of your investment. You will not be able to profit from the subsequent price/level movement of the Underlying Instrument from CBBCs that were called and hence terminated.

#### **4.3.2 Mandatory Call Event is irrevocable**

The Mandatory Call Event is irrevocable unless it is triggered by the following events:

- (i) system malfunction or other technical errors of the relevant Securities Exchange; or
- (ii) manifest errors caused by the relevant third party price source

In the occurrence of the above event, mutual agreement must be reached between Bursa Securities and KIBB within the time as prescribed in the relevant Term Sheets and the relevant Conditions.

When a mutual agreement is reached between Bursa Securities and KIBB, the triggered Mandatory Call event:

- (i) will be reversed; and
- (ii) any trade cancelled (if any) will be reinstated; and
- (iii) trading of the CBBCs will resume in accordance with the rules prescribed by Bursa Securities from time to time.

#### **4.3.3 Delay in announcement of Mandatory Call Event**

We will notify Bursa Securities as soon as practicable by way of announcement after the CBBCs have been called. You should be aware that there may be a delay in the announcement of a Mandatory Call Event due to technical errors or system failures and other factors that are beyond our control and/or control of Bursa Securities.

Bursa Securities may cancel the CBBCs trades that are executed after the Mandatory Call Event if the CBBCs are not suspended immediately after a Mandatory Call Event.

#### **4.3.4 Non-recognition of Post Mandatory Call Event trades**

After the occurrence of the suspension of trading of the CBBCs and termination of the same due to a Mandatory Call Event, all subsequent trades in the CBBCs executed after the Mandatory Call Event will be cancelled and will not be recognised by us or Bursa Securities.

#### **4.3.5 Fluctuation in the funding cost**

The issue price of the CBBCs is set by reference to the difference between the initial reference price/level of the Underlying Instruments and the exercise price/exercise level, plus the applicable funding cost. The initial funding cost applicable to the CBBCs is set out in the relevant Term Sheet. The funding cost will fluctuate throughout the life of the CBBCs as the

#### **4. RISK FACTORS (Cont'd)**

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funding rate changes from time to time. The funding rate is a rate determined by us based on one or more factors, including but not limited to, the exercise price/exercise level, the interest rate, tenure of the CBBCs, expected dividend yield of the Underlying Shares, the Underlying ETF, the Underlying Index or companies constituting the Underlying Index and the margin financing provided by us.

##### **4.3.6 Hedging and unwinding of hedging activities may affect the value of CBBCs**

Our trading or hedging activities or those of our Group or other financial instruments issued by us from time to time may have an impact on the price/level of the Underlying Instruments and may trigger the Mandatory Call Event.

In particular, when the price/level of the Underlying Instruments is trading close to the call price/call level, our unwinding activities may cause a fall or rise in (as the case may be) the price/level of the Underlying Instruments, leading to a Mandatory Call Event as a result of such unwinding activities.

Before the occurrence of Mandatory Call Event, we or our related parties may unwind our hedging transactions relating to the CBBCs in proportion to the amount of CBBCs we repurchase from the market from time to time.

Apart from the above, at the occurrence of a Mandatory Call Event, we or our related parties may unwind any hedging transactions in relation to the CBBCs. Such unwinding activities after the occurrence of Mandatory Call Event may affect the price/level of the Underlying Instruments and consequently the cash settlement amount for the Warrantholder.

##### **4.3.7 Limited life of the CBBCs**

The Structured Warrants have expiry dates and therefore, a limited life. In the case of CBBCs, the lifespan may even be shorter if a Mandatory Call Event occurs before the expiry date. A Mandatory Call Event occurs when the price/level of the Underlying Instrument is at or below (in respect of callable bull certificate) or at or above (in respect of callable bear certificate) the call price or call level during the tenure of the CBBCs. In such event, the CBBCs will be called and terminated immediately and you will receive the cash settlement amount (if any) from us. When CBBCs are called and terminated early, you will lose the funding cost for the remaining period and will not be able to profit from the subsequent price/level movement of the Underlying Instrument.

##### **4.3.8 CBBCs can be volatile**

The price of the CBBCs may not correspond with the movements in the price/level of the Underlying Instruments. In particular, when the price/level of the Underlying Instrument is close to the call price/call level, the price of the CBBCs will be more volatile and may not be comparable and may be disproportionate with the change in the price/level of the Underlying Instrument.

You should carefully consider, amongst other things, the factors set out in Annexure I of this Base Prospectus and the Term Sheets before dealing in the Structured Warrants.

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## **4. RISK FACTORS (Cont'd)**

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### **4.4 FACTORS AFFECTING LIQUIDITY**

#### **4.4.1 Suspension in the trading of the Underlying Instruments and/or Structured Warrants**

If whilst the Structured Warrants remain unexercised and trading in the Underlying Shares or the Underlying ETF on Bursa Securities or the relevant Securities Exchange outside Malaysia is suspended (which is beyond our control), then trading in the Structured Warrants on Bursa Securities may also be suspended for a similar period if Bursa Securities deems such action appropriate in the interest of maintaining a fair and orderly market in the Structured Warrants, the Underlying Shares or the Underlying ETF or otherwise deems such action advisable in the public interest or to protect investors.

In addition, if whilst any of the Structured Warrants remain unexercised and trading of options or futures relating to the relevant Underlying Index on any options or futures exchanges is suspended, or options or futures generally on any options and/or futures exchanges on which options or futures relating to the relevant Underlying Index are traded is suspended, or if the relevant Underlying Index for whatever reason is not calculated, trading in the relevant Structured Warrants on Bursa Securities may also be suspended for a similar period.

If Bursa Securities does not, in such an event, suspend the trading of the Structured Warrants, we may still request for a suspension in the trading of the Structured Warrants. However, the suspension of the trading of the Structured Warrants, the Underlying Shares or the Underlying ETF on Bursa Securities, or the relevant Securities Exchange outside Malaysia, or the suspension of the trading of the options or futures relating to the relevant Underlying Index on any options or futures exchanges, shall not preclude the Warrantholders from exercising their rights under the Structured Warrants. However, we may in our absolute discretion make adjustments to the rights attaching to the Structured Warrants so far as we are reasonably able to do so without materially prejudicing Warrantholders' rights. Notice of such adjustments will be given to Warrantholders as soon as practicable.

#### **4.4.2 Trading liquidity of our Structured Warrants**

There can be no assurance that an active trading market for Structured Warrants could sustain throughout the life of the Structured Warrants. Although we endeavour to provide liquidity for our Structured Warrants by maintaining bid and offer prices for the Structured Warrants on the trading system of Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing. The parameters for liquidity provision are set out in Section 5.2 of this Base Prospectus.

Furthermore, an active trading market for the Underlying Instruments is not an assurance that an active trading market for the Structured Warrants will be sustained in the foreseeable future.

#### **4.4.3 Delay in or abortion of the Listing**

The occurrence of certain events, including but not limited to the following, may cause a delay in or abortion of the Listing for each series of the Structured Warrants on Bursa Securities:-

- (i) we are unable to meet the public spread requirement as stipulated by Bursa Securities that each series of the Structured Warrants (other than the Bull ELS) must be held by at least 100 Warrantholders holding not less than 1 board lot of the relevant series of Structured Warrants each, or at least 50 Warrantholders subscribing for a minimum of RM100,000 each of the relevant series of Structured Warrants; and
- (ii) the minimum total face amount of RM5 million of the Structured Warrants is not met.

#### **4. RISK FACTORS (Cont'd)**

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The above mentioned requirement in (i) does not apply to an Issuer that provides liquidity for the Structured Warrants via Market Making in accordance with the Listing Requirements. Although we will endeavour to comply with various regulatory requirements, we cannot assure you that there will not be occurrence of events that will cause a delay in or abortion of the Listing.

#### **4.5 OTHER RISKS**

##### **4.5.1 Timeliness and limitation of information regarding the Underlying Companies and Underlying Instruments**

Certain information and prices of the Underlying Companies and Underlying Instruments may be obtained or extracted from third party sources such as the financial news service provider or financial information network provider. We provide no assurance on the timeliness, completeness of disclosure or availability of critical or material information of the Underlying Companies and Underlying Instruments, which was obtained from these third party sources. Hence, investors should be aware that such delay in the transmission, incompleteness or unavailability of information by the third party sources or any delay in Market Making activities may materially and adversely affect the performance of the Structured Warrants. Investors should also be aware that we have, in good faith, extracted relevant information and prices from the public or third party sources and have not independently verified such information.

In addition, the Underlying Companies listed on Bursa Securities and the relevant Securities Exchange are subject to applicable continuous disclosure requirements. As such, information relating to the Underlying Companies, the Underlying ETF and the Underlying Index can be obtained from a variety of sources. We take no responsibility, accept no liability for, and make no representation or warranty (whether express or implied) as to the accuracy or completeness of any information you have obtained about the Underlying Companies, the Underlying ETF or the Underlying Index. You should make your own enquiries, and where appropriate, obtain prior advice in relation to any investment decision.

##### **4.5.2 Compliance with the relevant laws and regulations by the Underlying Companies or Underlying Instruments**

We shall endeavour to fully comply with all the relevant laws, rules, regulations, guidelines, requirements or provisions imposed by the relevant authorities in Malaysia for the issuance of the Structured Warrants. However, we take no responsibility, accept no liability for, and make no representation or warranty (whether express or implied) that the Underlying Companies, the trustee or manager of the Underlying ETF or the Underlying Index Sponsor fully comply with the relevant laws, rules, regulations, guidelines, requirements or provisions imposed by the relevant authorities in or outside of Malaysia during the tenure of the Structured Warrants.

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## 5 PARTICULARS OF THE OFFER

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### 5.1 The Offer

We propose to issue the following non-collateralised Structured Warrants:-

- (i) American style cash settled call/put warrants over a single equity;
- (ii) American style cash settled call/put warrants over a basket of equities;
- (iii) American style cash settled call/put warrants over a single index;
- (iv) American style cash settled call/put warrants over an ETF;
- (v) European style cash settled call/put warrants over a single equity;
- (vi) European style cash settled call/put warrants over a basket of equities;
- (vii) European style cash settled call/put warrants over a single index;
- (viii) European style cash settled call/put warrants over an ETF;
- (ix) European style cash settled CBBCs over a single equity;
- (x) European style cash settled CBBCs over a single index;
- (xi) European style cash settled CBBCs over an ETF; and
- (xii) Bull ELS,

where the equity(ies) and ETF are listed on, and indices are based on Bursa Securities and/or Securities Exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities.

The Structured Warrants will be offered from time to time by way of Market Making.

We will issue the Structured Warrants from time to time through this Base Prospectus supported by a Term Sheet to be issued before we issue each series of the Structured Warrants.

Further information on the Offer and the Structured Warrants are set out below and in Annexure 1 of this Base Prospectus respectively.

### 5.2 Liquidity Provision

The Listing Requirements provides that upon initial listing, there must be at least 100 Warranholders holding not less than 1 board lot of warrants each, or at least 50 Warranholders subscribing for a minimum of RM100,000 of warrants each ("**Minimum Holders Requirement**"), unless the issuer provides liquidity for the structured warrants via Market Making.

KIBB is a registered Market Maker pursuant to the rules of Bursa Securities and therefore, is not required to fulfil the Minimum Holders Requirement mentioned above.

As an Issuer, it is our business policy to stand by our products by providing liquidity. We are the liquidity provider for the trading of our Structured Warrants on Bursa Securities. As currently stipulated by Bursa Securities, we will maintain a minimum market presence of 70% of trading hours on each day that Bursa Securities is open for trading and a maximum spread between bid and offer prices of twenty-five (25) bids.

## 5. PARTICULARS OF THE OFFER (*Cont'd*)

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The process of providing liquidity involves maintaining bid and offer prices on the trading system of Bursa Securities on each Market Day, over the life of the Structured Warrants. Although we endeavour to provide liquidity for the Structured Warrants on Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing. Besides the supply and demand for the Structured Warrants in the secondary market, there are other factors affecting the price of the Structured Warrants such as, without limitation, the underlying unit price, intrinsic value, dividend expectations, expected volatility, prevailing interest rates and the time left to the expiry of the Structured Warrants.

As liquidity provider, we would need to maintain a certain number of Structured Warrants as inventory for the purposes of liquidity provision during the tenure of the Structured Warrants. The minimum quantity of structured warrants for which liquidity will be provided is 10 (ten) board lots (1,000 units of Structured Warrants). We may during the tenure of this Base Prospectus issue additional Structured Warrants in a particular series subject to the approval of Bursa Securities.

However, you should note that there would be circumstances under which we are unable and could not be obliged to provide liquidity, due to reasons beyond our control. Such circumstances may include the occurrence or existence of one (1) or more of the following events:-

- (i) During the pre-opening session, ten (10) minutes following the opening of Bursa Securities on any trading day or any other circumstances as may be prescribed by Bursa Securities from time to time;
- (ii) During the pre-closing session, last ten (10) minutes prior to the close of a trading session on any trading day or any other circumstances as may be prescribed by Bursa Securities from time to time;
- (iii) Upon the occurrence of a Mandatory Call Event;
- (iv) When trading in the Underlying Instrument or index futures is suspended or limited in a material way for any reason; for avoidance of doubt, the liquidity provider is not obliged to provide quotations for the Structured Warrants at any time when the Underlying Instrument or relevant index futures is not traded for any reason;
- (v) When the Structured Warrants and/or the Underlying Instrument are suspended or limited in a material way for any reason;
- (vi) When the number of Structured Warrants available for Market Making activities by the liquidity provider is less than 5% of the total issue size of the Structured Warrants; for avoidance of doubt, in determining whether Structured Warrants are available for Market Making activities, Structured Warrants held by us or any of our affiliates in a fiduciary or agency (as opposed to proprietary) capacity shall be deemed to be not available for Market Making activities;
- (vii) During the five (5) Market Days immediately preceding the Expiry Date;
- (viii) When technical problems or other events beyond the control of the liquidity provider (such as a natural or man-made disaster or an act of terrorism) affect the ability of liquidity provider to provide bid and offer prices;
- (ix) If the stock market and/or the Underlying Instrument experience exceptional price movement and volatility;
- (x) If a market disruption event occurs, including without limitation any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits

## 5. PARTICULARS OF THE OFFER (*Cont'd*)

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- permitted by the relevant exchange or otherwise) in the Underlying Instrument or any Structured Warrants, option contracts or futures contracts relating to the Underlying Instrument;
- (xi) When the ability of the liquidity provider to source a hedge or unwind an existing hedge, as determined by the liquidity provider in good faith, is materially affected by the prevailing market conditions;
  - (xii) If each Structured Warrant is theoretically valueless or where the Issuer's bid price is below RM0.005. In such an instance, the liquidity provider will provide the offer price only;
  - (xiii) If, in our sole and absolute determination, the theoretical bid/offer price of the Structured Warrants is less than the minimum price or greater than the maximum price that can be entered into or accepted by the trading system of Bursa Securities through which the liquidity provider enters orders for the Structured Warrants for the purpose of providing liquidity;
  - (xiv) In the case of an Underlying Index, any modification, cancellation or disruption of the calculation of the Underlying Index (other than as result of a market disruption event);
  - (xv) In the case of put warrants, our ability to perform short-selling in the market becomes restricted or prohibited;
  - (xvi) When it is a public holiday in Malaysia and Bursa Securities is not open for trading; or
  - (xvii) Any circumstances as may be allowed by Bursa Securities and/or the SC.

Although the liquidity provider will be facilitating Market Making activities to provide liquidity for the Structured Warrants on Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing.

You may obtain bid/offer prices for the Structured Warrants (in respect of prices that appear on the trading system of Bursa Securities, and/or in respect of direct business transactions) from us at the following contact details:

KIBB  
Equity Derivatives  
Telephone no.: (03)-2172 2615

### 5.3 Further Issue

The Deed Poll allows KIBB to create and issue further Structured Warrants in respect of the same series of Structured Warrants ("**Further Issue**") without the consent or sanction of the existing Warrantholders. The Further Issue will form part of the existing Structured Warrants in issue ("**Existing Issue**").

For the purpose of facilitating Market Making, KIBB may apply for a Further Issue in respect of the Structured Warrants subject to the following conditions:

- (i) the Further Issue is for the purpose of facilitating Market Making;
- (ii) the terms and conditions of the Existing Issue either permit the Further Issue or have been properly amended to give us the right to issue and list one or more Further Issues;
- (iii) the terms and conditions of the Further Issue and the Existing Issue must be identical except for the size and tenure of the issue; and

## **5. PARTICULARS OF THE OFFER (Cont'd)**

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- (iv) the Issuer holds not more than 50% of the Existing Issue at the time of application for the Further Issue.

### **5.4 Purpose of the Offer**

The purpose of the Offer is to participate and contribute to the development of Structured Warrants market in Malaysia. It is also part of the KIBB objectives to diversify our revenue sources via the issuance of Structured Warrants because of the growth potential in Malaysia capital market with the continuous supports from the government, regulators and investors.

The trading of Structured Warrants also enables us to earn revenue in which the proceeds from the Offer will be utilised for our general working capital requirements and to defray expenses for the Offer.

The Offer aims to meet the increasingly sophisticated investors' demand in the evolving capital market in Malaysia. It allows the investors to enhance their investment portfolio and provides institutional investors an alternative approach to their asset management strategies.

Structured Warrants, a derivatives instruments, cater to investors seeking a different risk-return profile from the usual asset classes such as cash, equities and bonds, where investors can use Structured Warrants to make their portfolios both more or less risky, in the manner that fits with their objective, cost and risk appetite.

The issuance and usage of derivatives instrument would facilitate towards a more innovative, competitive, well-informed and developed capital market.

### **5.5 Implications of the Code**

If you intend to buy Bull ELS, you should bear in mind the implications of Part B of the Code and Sections 217 and 218 of the CMSA. In general terms, these provisions regulate the acquisition and effective control of Malaysian companies, in particular public companies. You should consider the implications of these provisions before you buy Bull ELS.

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## 6. INFORMATION ON KIBB (*Cont'd*)

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### 6.1 HISTORY AND BUSINESS

#### 6.1.1 History and Background

Our Company was incorporated in Malaysia under the Act on 6 September 1973 as a private company under the name of K & N Kenanga Sdn. We subsequently converted to a private limited company under the name of K & N Kenanga Sdn Bhd on 10 May 1975. Following the conversion to a public limited company on 7 December 1995, our name was changed to K & N Kenanga Bhd. We assumed our present name, Kenanga Investment Bank Berhad since 5 January 2007 when we were granted investment bank status. We are a financial institution under the FSA and are regulated by BNM, SC and Bursa Securities.

On 7 June 1994, our holding company, K & N was incorporated following a restructuring exercise which involved the entire issued and paid-up share capital of KIBB being acquired by K & N via the issuance of new ordinary shares of RM1.00 each in K & N to the existing shareholders of KIBB. Upon completion of the exercise, KIBB became a wholly-owned subsidiary of K & N. Subsequently, K & N was listed on the Main Board of Bursa Securities on 8 October 1996.

In May 2002, we were granted universal broker status by the SC. On 13 October 2005, BNM and the SC jointly announced that the framework on investment banks was to be extended to universal brokers. This move was aimed towards further enhancing the capacity and capabilities of domestic capital market intermediaries to contribute towards the development of a more resilient, competitive and dynamic financial system and support economic transformation. In line with the move, we were granted a license by the Minister of Finance II under Section 6(4) of the then BAFIA to carry on merchant banking business in Malaysia with effect from 5 January 2007. Consequently, we commenced operations in January 2007 as an investment bank, offering a complete range of investment banking services including corporate advisory and equity-linked activities.

We attained the investment banking status in 2007 and have since been actively pursuing various initiatives to strengthen our investment banking platform. Today, we offer a wide range of financial products and services such as Structured Warrants, margin financing, structured lending and structured debt instrument via our corporate and institutional coverage, corporate finance, debt capital markets, equity capital markets, corporate banking, Islamic finance, equity broking, equity derivatives, treasury, as well as investment research and advisory services. We also offer fund management, derivatives broking and structured financing via our subsidiaries.

On 14 December 2012, KIBB completed the acquisition of the entire issued and paid-up share capital of EIBB and merger of the businesses of EIBB and KIBB. About a year later, EIBB changed its name to ECML on 29 November 2013.

On 19 April 2013, KIBB's wholly-owned subsidiary, Kenanga Investors Berhad completed the acquisition of the entire issued and paid-up share capital of IFB followed by the merger of the two (2) companies' businesses on 8 June 2013. IFB had on 18 June 2013 changed its name to KFB. In the same year, KIB was granted the approval by the SC as a PRS Provider.

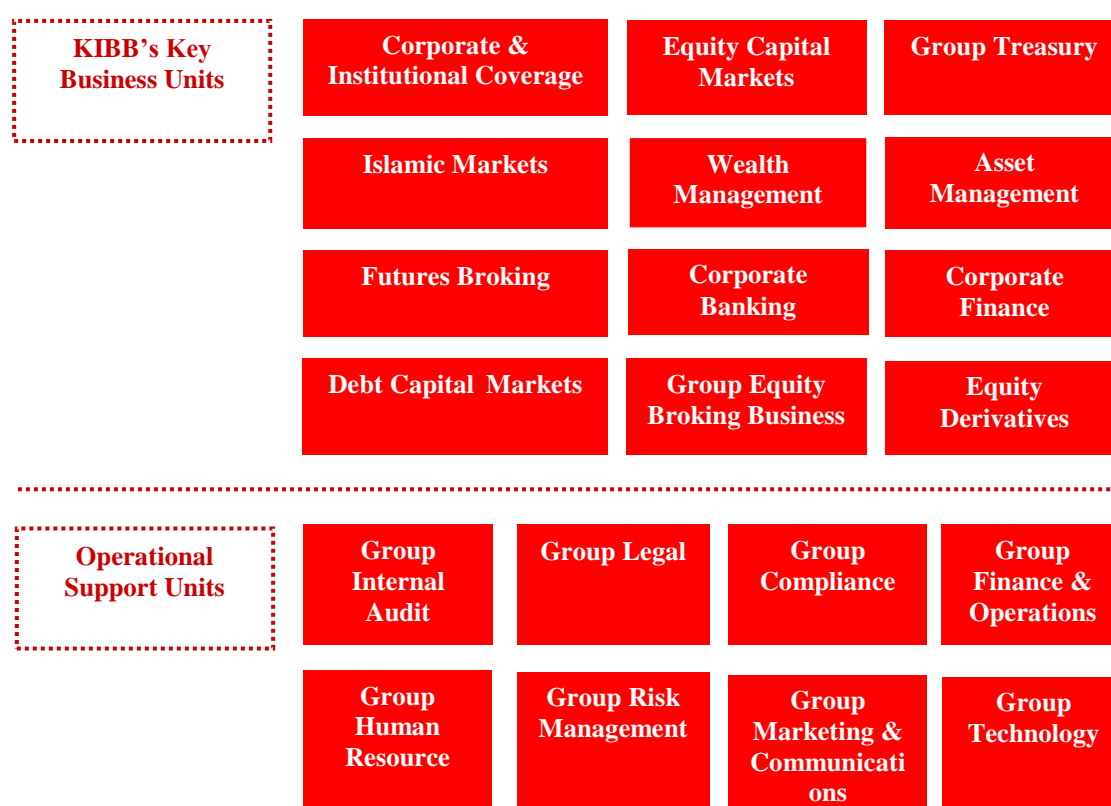
On 8 April 2016, KIBB had entered into a Subscription Agreement and a Joint Venture Agreement with Rakuten Securities, Inc. and Rakuten Trade Sdn Bhd (formerly known as EB Global JV Sdn Bhd) ("**JV Company**") to jointly collaborate in providing online brokerage services through the JV Company. On 26 April 2017, the JV Company had been granted a Capital Markets Services Licence by the SC for regulated activities of dealing in securities restricted to listed securities and investment advice. The JV Company had commenced business on 18 May 2017.

## 6. INFORMATION ON KIBB (Cont'd)

On 1 November 2016, KIBB Group had completed an internal reorganisation of its corporate structure where the identified assets and liabilities, as well as the businesses of K & N were transferred to KIBB. On 2 November 2016, K & N transferred its listing status on the Main Market of Bursa Securities to KIBB and hence, KIBB became the primary operating and listed entity of KIBB Group.

On 27 July 2017, KIBB completed the acquisition of the remaining 1,350,000 ordinary shares, representing 27% of the total number of issued shares of Kenanga Deutsche Futures Sdn Bhd resulting in Kenanga Deutsche Futures Sdn Bhd becoming a wholly-owned subsidiary of KIBB. Subsequently, on 3 August 2017, Kenanga Deutsche Futures Sdn Bhd changed its name to Kenanga Futures Sdn Bhd.

### 6.1.2 KIBB's Key Business Overview



KIBB's activities and principal assets are predominantly based in Malaysia. We operate from our principal office in Kuala Lumpur and through our twenty-nine (29) branches nationwide. Activities of KIBB's key business units are as follows:-

#### Corporate & Institutional Coverage ("CIC")

The CIC division originates deals and mandates for the Bank. It is a one-stop solution centre for clients that offers insightful advice on corporate strategies covering key areas such as corporate restructuring, initial public offerings, mergers and acquisitions, leverage buy-outs, as well as raising and placing of equity, debt and hybrid instruments.

#### Equity Capital Markets ("ECM")

The ECM division serves as an intermediary between issuers and investors in the equity and equity-linked markets. It provides a valuable service and support to issuers by arranging and executing transactions that allow issuers to raise capital from the equity capital markets in

## 6. INFORMATION ON KIBB (*Cont'd*)

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Malaysia. ECM's roles include origination, structuring, syndication, marketing, distribution, pricing and underwriting as well as aftermarket services.

### Group Treasury

The Group Treasury is responsible for stable funding from institutional & retail depositors and liquidity adequacy beyond prudential buffers. This role also entails managing the daily cash flow and liquidity of funds within the bank. The Treasury division also handles the bank's investments in fixed income securities, foreign exchange, asset/liability management and cash instruments.

The Group Treasury division also offers a wide range of transactional, investment and hedging solutions to institutional and commercial clients. A dedicated team is responsible for providing product support to branch and wealth management staff on pricing and market updates for money market and fixed income instruments, structured product investments and foreign exchange.

### Islamic Markets

The Islamic Markets (Islamic Banking division) has been established to drive Islamic business initiatives within the Bank including acting as the coordinator for the Bank's Skim Perbankan Islam operations. Islamic Markets works closely together with the existing product owners, to facilitate the development and offering of Islamic products to our clients. At present, Islamic Markets plays an active role in Sukuk structuring and liaising with the Shariah Adviser to procure Shariah endorsement for any proposed Sukuk issuance/programme. Islamic Markets is also instrumental in procuring the approval from Bursa Malaysia for establishment of the bank's Islamic Stockbroking Window.

### Wealth Management

The Wealth Management Division provides investment advisories including financial planning, strategic wealth management for high net worth individuals, business owners and families who desire tailored financial advisory services. Its extensive product range includes products from 18 fund houses, 7 PRS providers, 12 insurance partners and 2 wills and trust partners. Wealth planning services include investment planning, insurance, education planning and retirement planning. Unlike other wealth management service providers, we are supported by KenWRAP, an award winning and Malaysia's first digital wealth management tool that "wraps" a client's entire financial portfolio onto a single platform. KenWRAP assesses their current financial and risk profile and provides a recommended financial plan tailored to them.

### Asset Management

The asset management business is known as Kenanga Investors Group ("**KIG**"), which comprises of Kenanga Investors Berhad ("**KIB**") and Kenanga Islamic Investors Berhad ("**KIIB**"). KIG is a multi-style investment house that provides investment solutions to high affluent clients, mass retail and institutional clients. KIB is also one of the eight licensed Private Retirement Scheme providers in Malaysia. The company is licensed to perform regulated activities under CMSA 2007 for the following:-

- Fund management
- Dealing in securities (restricted to unit trust)
- Financial Planning
- Investment advice; and
- Dealing in Private Retirement Scheme

## 6. INFORMATION ON KIBB (*Cont'd*)

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### Futures Broking

Kenanga Futures Sdn Bhd ("KFSB"), formerly known as Kenanga Deutsche Futures Sdn Bhd, is a derivatives broker regulated under the Securities Commission Malaysia and Bursa Malaysia Berhad. KFSB offers clients electronic market access to trade listed products on Bursa Depository and CME Group. Apart from being a direct member of Bursa Depository and the clearinghouse, KFSB is also a registered broker with the U.S. Commodity Futures Trading Commission ("U.S. CFTC") and was granted exemption relief pursuant to Commission Regulation 30.10 which enables KFSB to deal directly with entities in the U.S. On the domestic front, KFSB has an extensive network with 24 branches nationwide licensed to trade listed derivatives.

Clients can access both U.S. and Malaysian listed derivatives on a single trading platform via the company's trademarked real-time customised online trading solution, KDF TradeActive™. KDF TradeActive™ is available on both desktop and mobile devices, giving clients easy access to real-time market data and flexibility to trade on the go.

### Corporate Banking

The Corporate Banking division provides structured financing facilities that complement and facilitate investment banking deals undertaken by other business divisions. Such financing capability enhances our strength in providing comprehensive investment banking solutions that are most suited to clients' business needs.

### Corporate Finance

The Corporate Finance division provides advisory services and corporate finance on equity instrument for corporations on matters relating to initial public offerings, mergers and acquisitions, secondary offerings and independent advisory services and fund raising exercises.

### Debt Capital Markets

The Debt Capital Market division provides advisory services for fund raising exercises for its corporate clients via the issuance of debt capital market instruments such as private debt securities, Islamic securities and asset-backed securities. It supports all other divisions for the debt and equity linked debt mandates.

### Group Equity Broking Business

Our Equity Broking division is a full service broker catering to the investing and trading needs of both retail and institutional investors, domestic and foreign. We have a strong presence in more than a dozen locations nationwide. We now provide our clients direct access to more than ten (10) overseas markets. Our delivery methods include full service, personalised dealer assisted channels to self-directed means over the Internet via an online trading portal. Share margin financing services are also available to clients who require financial leverage. Client service is backed by an in-house independent research covering the economy, industrial sectors and specific companies and these reports are published regularly. The online trading portal provides direct electronic access to research reports, real-time stock quotes and third party financial news.

Investors who are on the move have the convenience of accessing real-time stock prices through mobile devices where transactions can also be made. Through the global trading platform, clients can now access more than ten (10) foreign markets including those in Hong Kong, United Kingdom, Singapore and the United States of America.

**6. INFORMATION ON KIBB (Cont'd)**

Equity Derivatives

In the course of business, the Equity Derivatives division trades in over-the-counter derivatives, exchange-traded derivatives as well as the underlying cash market to manage the resultant risks.

**6.1.3 Credit rating**

Malaysian Rating Corporation Berhad (“**MARC**”) had on 29 September 2017 assigned our financial institution ratings as follows:-

Rating----->		
Long-term	Short-term	Outlook
A+	MARC-1	Stable

The credit rating definitions of the rating agency are as follows:-

Rating	Definition
A+	An institution rated A has a strong capacity to meet its financial commitments but is somewhat more susceptible to adverse developments in the economy, and to business and other external conditions than institutions in higher-rated categories. Some minor weaknesses may exist, but these are moderated by other positive factors.
MARC-1	A financial institution rated MARC-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse developments in the economy and in business and other external conditions are likely to have a negligible impact on the institution’s capacity to meet its financial obligations. This is the highest short-term financial institution rating assigned by MARC.

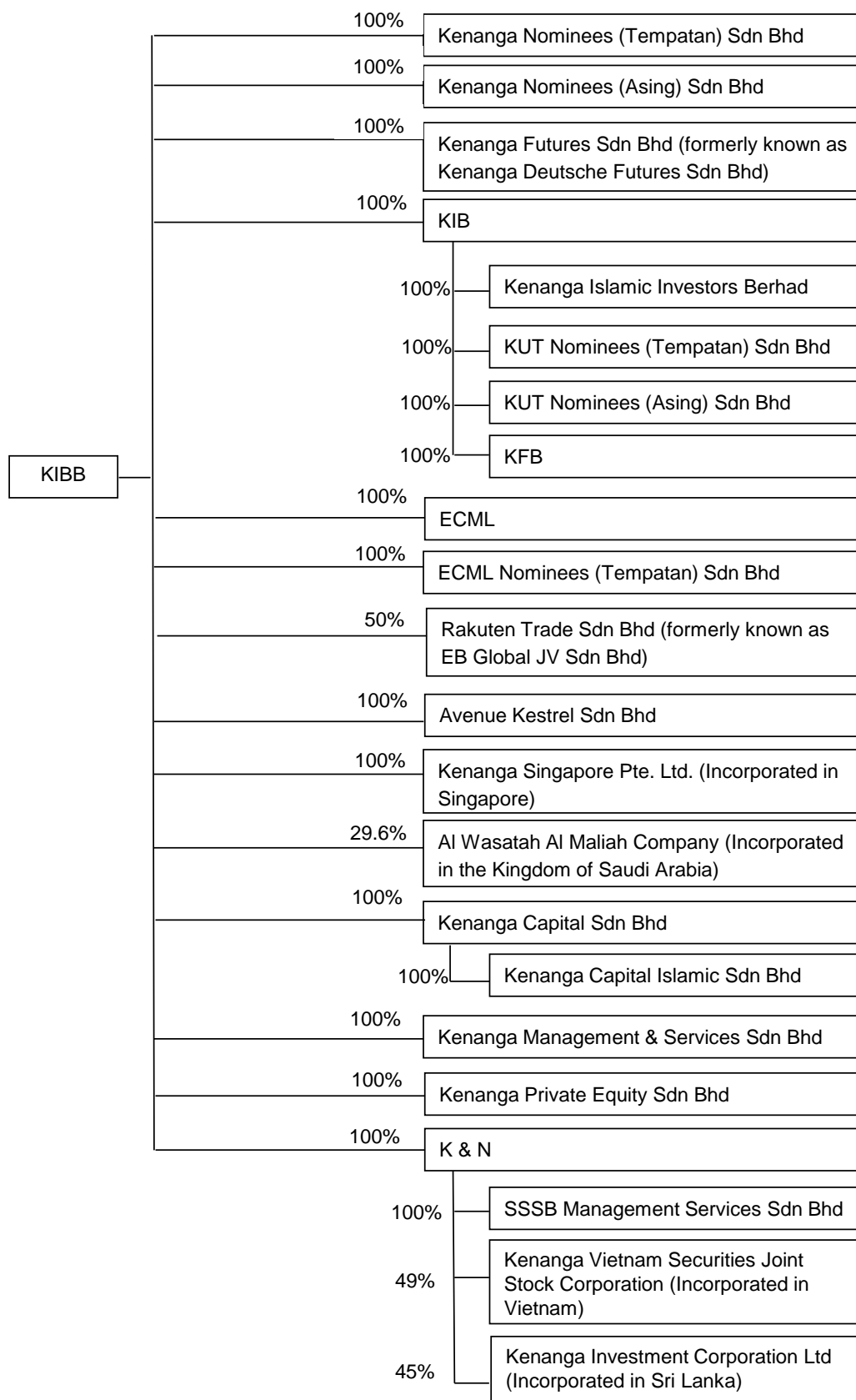
**Note:-**

For long-term ratings, ratings from AA to B may be modified by a plus (+) or minus (-) suffix to show its relative standing within the major rating categories.

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**6. INFORMATION ON KIBB (Cont'd)**

**6.1.4 KIBB Group Structure**



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**6. INFORMATION ON KIBB (Cont'd)**


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**6.2 SHARE CAPITAL**

Our Company's issued share capital as at the LPD are as follows:-

	<b>No. of Ordinary Shares ('000)</b>	<b>Amount RM '000</b>
Issued share capital	722,660	246,202

**6.3 OUR BOARD**

As at the LPD, our Directors comprise the following:-

<b>Name</b>	<b>Designation</b>	<b>Year appointed</b>	<b>Expiration date of current term of appointment</b>
Izlan Bin Izhab	Chairman/ Independent Non-Executive Director	2016	07.09.2019
Datuk Syed Ahmad Alwee Alsree	Deputy Chairman/ Non- Independent Non- Executive Director	2010	26.08.2018
Luigi Fortunato Ghirardello	Non-Independent Non- Executive Director	2008	28.07.2020
Dato' Richard Alexander John Curtis	Non-Independent Non- Executive Director	2007	29.01.2021
Ismail Harith Merican	Non-Independent Non- Executive Director	2010	14.04.2019
Luk Wai Hong, William	Independent Non- Executive Director	2013	31.10.2019
Jeremy Bin Nasrulhaq	Independent Non- Executive Director	2017	31.05.2020
Norazian Binti Ahmad Tajuddin	Independent Non- Executive Director	2017	14.12.2020
Kanagaraj Lorenz	Independent Non- Executive Director	2017	25.12.2020

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**6. INFORMATION ON KIBB (Cont'd)**

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**6.4 OUR KEY MANAGEMENT TEAM**

Our key management team as at the LPD is as set out below.

<b>Name</b>	<b>Designation</b>
Datuk Chay Wai Leong	Group Managing Director
Lee Kok Khee	Executive Director, Head of Group Equity Broking Business
Datuk Roslan Hj Tik	Executive Director, Head of Group Investment Banking and Islamic Banking
Cynthia Woon Cheng Yee	Head, Group Treasury
Megat Mizan Nicholas Denney	Executive Director, Head of Group Business Development
Maheswari Kanniah	Group Chief Regulatory and Compliance Officer
Cheong Boon Kak	Group Chief Financial and Operations Officer
Woo King Huat	Chief Credit Officer
Lum Chee Wah	Head, Group Operations
Tai Yan Fee	Group Chief Risk Officer
Terence Tan Kian Meng	Group Chief Internal Auditor
Nik Hasniza Binti Nik Ibrahim	Head, Group Human Resource
Chuah Sze Phing	Head, Group Marketing & Communications
Norliza Abd Samad	Group Company Secretary

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**6. INFORMATION ON KIBB (Cont'd)**


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**6.5 OUR SUBSTANTIAL SHAREHOLDERS**

As at the LPD, our substantial shareholders comprise the following:-

Name	Nationality/ Country of Incorporation	No. of Shares Held			
		Direct	%	Indirect	%
CMS Capital Sdn Bhd	Malaysia	153,353,000	21.22	-	-
Cahaya Mata Sarawak Berhad	Malaysia	30,070,000	4.16	<sup>(1)</sup> 153,353,000	21.22
Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail	Malaysia	102,356,770	14.16	<sup>(2)</sup> 43,500	0.01
Tokai Tokyo Financial Holdings, Inc.	Japan	36,514,799	5.05	-	-

**Note:-**

(1) Deemed interested pursuant to Section 8(4) of the Act by virtue of shares held by CMS Capital Sdn Bhd.

(2) Deemed interested by virtue of shares held by person connected.

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**6. INFORMATION ON KIBB (Cont'd)**


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**6.6 SUBSIDIARIES AND ASSOCIATE COMPANIES**

Details of our subsidiaries and associate companies as at the LPD are as follows:-

Company	Date and Place of Incorporation	Issued Share Capital RM (unless stated otherwise)	Effective Equity Interest %	Principal Activities
<i>Subsidiaries of Kenanga Investment Bank Berhad</i>				
Kenanga Nominees (Tempatan) Sdn Bhd (16778-M)	19.12.1973 Malaysia	2	100	Provision of nominee services
Kenanga Nominees (Asing) Sdn Bhd (280043-U)	28.10.1993 Malaysia	3	100	Provision of nominee services
Kenanga Investors Berhad (353563-P)	2.8.1995 Malaysia	18,465,300	100	Promotion and management of collective investment schemes and the management of investment funds
ECML Berhad (682-X)	2.6.1930 Malaysia	1,000	100	Dormant
ECML Nominees (Tempatan) Sdn Bhd (938-T)	10.2.1938 Malaysia	50	100	Dormant
Avenue Kestrel Sdn Bhd (97150-A)	3.2.1983 Malaysia	39,000,000	100	Dormant
Kenanga Futures Sdn Bhd (formerly known as Kenanga Deutsche Futures Sdn Bhd) (353603-X)	2.8.1995 Malaysia	5,000,000	100	Futures broker
Kenanga Singapore Pte. Ltd. (201433886E)	12.11.2014 Singapore	SGD 1	100	Dormant
K & N Kenanga Holdings Berhad (302859-X)	7.6.1994 Malaysia	2	100	Investment holding

**6. INFORMATION ON KIBB (Cont'd)**

<b>Company</b>	<b>Date and Place of Incorporation</b>	<b>Issued Share Capital RM (unless stated otherwise)</b>	<b>Effective Equity Interest %</b>	<b>Principal Activities</b>
Kenanga Capital Sdn Bhd (440102-V)	24.7.1997 Malaysia	13,000,000	100	Licensed money lender
Kenanga Management & Services Sdn Bhd (61262-V)	7.8.1980 Malaysia	600,000	100	Provision of car park management services
Kenanga Private Equity Sdn Bhd (423059-P)	14.3.1997 Malaysia	1,750,000	100	Private equity management
<i><u>Subsidiary of K &amp; N Kenanga Holdings Berhad</u></i>				
SSSB Management Services Sdn Bhd (219322-W)	20.6.1991 Malaysia	180,000,000	100	Dormant
<i><u>Subsidiaries of Kenanga Investors Berhad</u></i>				
KUT Nominees (Tempatan) Sdn Bhd (569605-D)	23.1.2002 Malaysia	2	100	Dormant
KUT Nominees (Asing) Sdn Bhd (569602-K)	23.1.2002 Malaysia	2	100	Dormant
Kenanga Islamic Investors Berhad (451957-D)	5.11.1997 Malaysia	5,000,000	100	Managing Islamic collective investment schemes and Islamic investment funds
Kenanga Funds Berhad (620077-K)	30.6.2003 Malaysia	22,450,000	100	Dormant
<i><u>Subsidiary of Kenanga Capital Sdn Bhd</u></i>				
Kenanga Capital Islamic Sdn Bhd (938908-X)	4.4.2011 Malaysia	2,500,000	100	Islamic factoring and leasing

**6. INFORMATION ON KIBB (Cont'd)**

<b>Company</b>	<b>Date and Place of Incorporation</b>	<b>Issued Share Capital (unless stated otherwise)</b>	<b>Effective Equity Interest %</b>	<b>Principal Activities</b>
<i>Associate Company of Kenanga Investment Bank Berhad</i>				
Al Wasatah Al Maliah Company (Commercial Registration No. 1010241832)	30.12.2007 Kingdom of Saudi Arabia	SR250,000,000	29.6	Dealing as principal and to provide underwriting, arranging, managing investment funds and custodian services
<i>Associate Companies of K &amp; N Kenanga Holdings Berhad</i>				
Kenanga Vietnam Securities Joint Stock Corporation (72/UBCK - GPHDKD)	3.12.2007 Vietnam	Vietnamese Dong ("VND") 135,000,000,000	49	Securities, brokerage, depository and advisory business
Kenanga Investment Corporation Ltd (PB300)	28.11.2006 Sri Lanka	Sri Lankan Rupee ("LKR") 25,000,070	45	Investment banking related activities
<i>Joint Venture of Kenanga Investment Bank Berhad</i>				
Rakuten Trade Sdn Bhd (formerly known as EB Global JV Sdn Bhd) (266701-P)	11.6.1993 Malaysia	40,000,000	50	Dealing in listed securities, online brokerage services and providing investment advice

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## 6. INFORMATION ON KIBB (*Cont'd*)

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### 6.7 RISK MANAGEMENT

The GRM comprises of credit risk unit, market risk unit and operational risk unit. Its key roles and responsibilities includes the development of risk frameworks, policies and procedures, risk management methodologies and risk limits, risk analytics, independent credit assessments, risk monitoring and reporting.

Under the risk governance structure, GRM reports to the Board's appointed committee that is the GBRC comprising of Non-Executive Directors of KIBB, which was established in May 2006 as part of the Board delegated authority to identify, assess, manage and control different types of risks affecting the Group, which include credit risk, market risk, operational risk and liquidity risk. The GBRC is supported by the Group Risk Committee ("GRC"), comprises of the key management team which meets regularly. GRC will convene and discuss specific risks that are monitored, reviewed and reported to the GBRC and to the Board where risk dashboards are presented and addressed.

The GBRC is entrusted to ensure that risk management is consistently adopted throughout the Group and is within the parameters established by the Board. The committee ensures that risk management function at all levels is carried out effectively whilst in compliance with the governing legal and regulatory requirements set by BNM, SC and Bursa Securities.

The principal risks to which we are exposed to and how they are managed are as follows:

#### ***Market risk***

Market risk is defined broadly as the risk of losses in on and off balance sheet positions arising from movements in market prices. In the course of conducting normal investment banking business, the Group enters into a variety of transactions in different markets such as equity, bond, foreign exchange and derivatives. In general, we manage our market risk exposure as a portfolio and manage our exposure to market risk by employing a variety of strategies.

In managing the market risk exposure as a portfolio, we may purchase, trade or maintain in the underlying securities or underlying instruments or derivatives (whether over-the-counter or listed) of the same underlying securities or underlying instruments to hedge the market risk with respect to the Structured Warrants.

These hedging activities may occur from time to time before the Structured Warrants mature and will depend on market conditions, the value of the underlying securities, and the scope of our market making activities in respect of the Structured Warrants. We may also enter into transactions that produce the opposite value movements to manage the residual portfolio risk.

All trading activities contain calculated elements of risk taking, where the risk limits set appropriate to the risk appetite within the agreed limits, independently and correctly identified, calculated and monitored by GRM, and reported to the GRC, GBRC and Board on a regular basis.

The limits that are approved by the risk governance structure are communicated to the appropriate personnel through the limits policy and current limit structure for each business division and GRM would monitor the position accordingly to the limit structure that sets limit for all exposures in all markets.

#### ***Credit risk***

Credit risk or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. The credit risk unit ensures that the risk exposures we undertake matches our risk appetite, and that we adhere to proper

## 6. INFORMATION ON KIBB (Cont'd)

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authorisation. There are frameworks in place to monitor problematic credit exposures identified by business units and the management. Proactive measures are taken, where possible, to minimise the financial losses that such exposure may bring to the Group. Any credit limit breaches will be brought to the attention of the GBRC and Board on a timely and systematic manner so that effective remedial actions can be undertaken to prevent or minimise any potential damage.

Credit risk is minimised and monitored by strictly limiting the Group's association to customers with high creditworthiness. Exposures from trading are monitored on an ongoing basis via an online risk management reporting system. The Group through its Directors and management reviews all significant exposure to individual customers and counterparties and reviews any major concentration of credit risk related to any financial instruments.

### **Operational risk**

Operational risk is the risk arising from inadequate or failed internal processes, people and systems or from external events which include but not limited to legal and regulatory compliance risks on our day-to-day operations, which restrict or prevent us from achieving our objectives.

The Group manages operational risk by various tools such as conducting risk self assessments, developing key risk indicators and loss event data analysis as well as determining the operational risk tolerance and acceptance level for each business line.

### **Liquidity risk**

The Group actively manages our operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of our overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements in addition to maintaining available banking facilities, to meet any immediate operating cash flow requirements.

#### **6.7.1 Internal Audit**

The Group Internal Audit Department ("**GIA**") provides independent and objective assurance to our Board that the established internal controls, risk management and governance processes are adequate, operating effectively and efficiently. To ensure independence and objectivity, the GIA reports independently to our Audit Committee and has no responsibility or authority over any of the activities it reviews. An annual audit plan based on the appropriate risk based methodology is developed and approved by the Audit Committee. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the Audit Committee for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of the management action plans.

Our Audit Committee reviews, on behalf of our Board, with management, issues highlighted in the reports by internal and external auditors, and audits conducted by regulators such as BNM, SC and Bursa Securities with actions taken to address the findings, related party transactions entered into by KIBB Group, performance of the Group Chief Internal Auditor, audit plans of the internal and external auditors, as well as quarterly results and year-end financial statements, non-audit fees incurred and paid to the external auditors and their affiliate by KIBB Group, the implementation status of the Malaysian Financial Reporting Standard 9 – *Financial Instrument* and the proposal on re-appointment of the external auditors.

## 6. INFORMATION ON KIBB (Cont'd)

### 6.7.2 Business Continuity Management (“BCM”)

Business continuity is defined as maintaining the uninterrupted availability of all key business resources required to support essential business activities. Our BCM process entails continuous review, maintenance and testing.

The Group’s Business Continuity Plan outlines our strategies in managing crisis by establishing a defined and systematic framework for organisation resiliency. It is designed for effective response to a crisis or disaster to ensure non-disruption of business or efficient business resumption.

### 6.7.3 Regulatory Compliance Risk

In line with our Group’s mission to achieve high standards of ethical, legal and regulatory compliance, it is our Group’s policy to require each employee to understand and appreciate the requirements of all laws, regulations, guidelines and policies affecting his/her job responsibilities. It is also each employee’s duty to at all times perform his/her responsibilities in a manner that complies with such requirements. In managing compliance risk, our Group has developed and maintains a regulatory framework that provides reasonable assurance that our activities and businesses comply with our Group’s ethical standards, regulations, guidelines and policies.

## 6.8 AUDIT AND CONTROL

### 6.8.1 Audit Committee

As at the LPD, our Audit Committee comprises the following members:-

Name	Designation	Directorship in KIBB
Jeremy Bin Nasrulhaq	Chairman	Independent Non-Executive Director
Izlan Bin Izhab	Member	Independent Non-Executive Director
Kanagaraj Lorenz	Member	Independent Non-Executive Director
Ismail Harith Merican	Member	Non-Independent Non-Executive Director
Luk Wai Hong, William	Member	Independent Non-Executive Director

The Audit Committee was established to support the Board in ensuring that there is a reliable and transparent financial reporting process and act as a governance body with the oversight on the audit and control functions within the Group.

The roles and responsibilities of our Audit Committee shall include:-

- (i) Fair and Transparent Reporting
  - (a) Ensure fair and transparent reporting and prompt publication of financial statements.
  - (b) Review quarterly results and year-end financial statements, before the approval by the Board, focusing particularly on:-
    - changes in or implementation of major accounting policy changes;

## 6. INFORMATION ON KIBB (Cont'd)

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- significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
  - compliance with accounting standards and other applicable laws and regulations.
- (ii) Effectiveness of Internal Audit
- (a) Oversee the effectiveness of the internal audit function of KIBB including:-
- reviewing, approving and reporting to the Board the audit scope, procedures and frequency;
  - reviewing and reporting to the Board key audit reports and ensuring that senior management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit;
  - noting significant disagreements between the Group Chief Internal Auditor and the rest of the senior management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings;
  - establishing a mechanism to assess the performance and effectiveness of the internal audit function; and
  - reviewing and reporting to the Board the adequacy of scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- (b) Appoint, set compensation, evaluate performance and decide on the transfer and dismissal of the Group Chief Internal Auditor and of any staff member of the internal audit function at the request of the Group Chief Internal Auditor.
- (iii) External Auditors
- (a) Foster a quality audit of KIBB and its subsidiaries by exercising oversight over the external auditor, in accordance with the expectations set out in BNM's policy document on External Auditor, including:-
- making recommendations to the Board on the appointment and the annual reappointment of the external auditor upon assessment of the audit fee taking into consideration the independence and objectivity of the external auditor and the cost effectiveness of its audit;
  - monitoring and assessing the independence of the external auditor including by approving the provision of non-audit services by the external auditor;
  - monitoring and assessing the effectiveness of the external audit, including by meeting with the external auditor without the presence of senior management at least annually;



**6. INFORMATION ON KIBB (Cont'd)**

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- maintaining regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to the Audit Committee on significant matters;
  - ensuring that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations; and
  - ensuring that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations.
- (b) Review the following and report the same to the Board:-
- with the external auditor, the nature and scope of their audit plan, their evaluation of the system of internal controls, their audit report and their management letter and discuss any matter that the external auditor may wish to raise in the absence of management, where necessary;
  - the assistance given by the employees of KIBB and/or its subsidiaries to the external auditor;
  - any letter of resignation from the external auditor of KIBB and/or its subsidiaries; and
  - whether there is reason (supported by grounds) to believe that the external auditor of KIBB and/or its subsidiaries is not suitable for re-appointment.
- (iv) Internal Controls
- (a) Review the effectiveness of the establishment and implementation of internal controls, compliance programme and risk management processes and systems of KIBB and its subsidiaries.
- (b) Review third-party opinions on the design and effectiveness of KIBB and its subsidiaries' internal control framework.
- (c) Ensure that senior management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by control functions such as risk management and compliance.
- (v) Effectiveness of the Controls Established for Anti-Money Laundering and Counter Financing of Terrorism ("**AML/CFT**")
- Assist the Board in:-
- (a) ensuring that independent audits are conducted to check and testing the effectiveness of the policies, procedures and controls for KIBB and its subsidiaries' AML/CFT measures;
- (b) reviewing internal control issues identified by the auditors and regulatory authorities and evaluating the adequacy and effectiveness of the internal controls for KIBB and its subsidiaries' AML/CFT measures;
- (c) ensuring the AML/CFT measures are in compliance with the relevant regulations and guidelines and whether the current AML/CFT measures which

**6. INFORMATION ON KIBB (Cont'd)**

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have been put in place are in line with the latest developments and changes to the relevant AML/CFT requirements; and

- (d) evaluating the reliability, integrity and timeliness of the internal and regulatory reporting and management information.
- (vi) **Related Party Transaction**  
  
Review and report to the Board any related party transaction and conflict of interests situation that may arise within KIBB and/or its subsidiaries including any transaction, procedure or course of conduct that raises questions of management integrity.
- (vii) **Regulatory Examinations/ Inspection Reports/ Reporting Obligations**
  - (a) Ensure proper implementation and recommend appropriate remedial and corrective measures in respect of the findings arising from examinations/ inspections conducted by the regulatory authorities on KIBB and its subsidiaries.
  - (b) Ensure timely and effective communications/ reporting to the regulators on matters affecting the safety and soundness of KIBB and its subsidiaries upon becoming aware of the same.
- (viii) Reports of the internal auditors and the Audit Committee shall not be subject to the clearance of the management.
- (ix) Perform any other functions as may be mutually agreed by the Audit Committee and the Board.
- (x) Review the accuracy and adequacy of the Chairman's Statement in the Directors' Report, corporate governance disclosures and internal control, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
- (xi) Monitor compliance with the Group Conflict Management Policy in respect of the Director's actual or potential conflicts of interest.
- (xii) Where the Audit Committee is of the view that a matter reported by the Audit Committee to the Board of KIBB has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee must promptly report such matter to Bursa Securities.

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## 6. INFORMATION ON KIBB (Cont'd)

### 6.9 SUMMARY OF KIBB GROUP'S HISTORICAL FINANCIAL INFORMATION

A summary of our Group's historical audited consolidated financial statements for the past three (3) financial years up to the financial year ended ("FYE") 31 December 2016 and unaudited consolidated financial information for the FYE 31 December 2017 are set out below:-

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), and the requirements of the Act in Malaysia.

#### Consolidated statement of financial position

	31 December 2017 RM'000 Unaudited	31 December 2016 RM'000 Audited Restated	31 December 2015 RM'000 Audited Restated	31 December 2014 RM'000 Audited
<b>ASSETS</b>				
Cash and bank balances	1,347,517	1,227,601	1,367,926	936,555
Financial assets at fair value through profit or loss	557,568	388,248	338,573	55,854
Financial investments available- for-sale	1,010,167	937,704	1,249,661	1,709,916
Financial investments held-to- maturity	38,001	40,000	40,003	10,005
Derivative financial assets	67,393	39,117	2,910	44
Loans, advances and financing Balances due from clients and brokers	2,195,501 494,883	2,105,584 445,005	1,930,064 457,327	1,840,704 378,304
Other assets	118,417	231,439	226,116	121,114
Statutory deposit with Bank Negara Malaysia	116,186	99,504	120,753	127,576
Tax recoverable	7,028	7,465	8,229	3,688
Investment in associates	60,438	72,671	66,838	57,979
Investment in a joint venture company	13,220	6,962	-	-
Property, plant and equipment	189,842	191,717	35,698	57,782
Intangible assets	266,414	266,922	266,832	317,107
Deferred tax assets	10,006	9,841	10,025	4,568
<b>TOTAL ASSETS</b>	<b>6,492,581</b>	<b>6,069,780</b>	<b>6,120,955</b>	<b>5,621,196</b>

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## 6. INFORMATION ON KIBB (Cont'd)

**Consolidated statement of financial position (cont'd)**

	<b>31 December 2017 RM'000 Unaudited</b>	<b>31 December 2016 RM'000 Audited Restated</b>	<b>31 December 2015 RM'000 Audited Restated</b>	<b>31 December 2014 RM'000 Audited</b>
<b>LIABILITIES</b>				
Deposits from customers	4,233,914	3,286,027	3,229,065	3,101,303
Deposits and placements of banks and other financial institutions	210,762	550,954	575,159	688,054
Balances due to clients and brokers	624,612	857,065	896,302	744,762
Derivative financial liabilities	36,174	47,406	72,278	7,237
Other liabilities	329,150	238,744	246,378	169,294
Obligations on securities sold under repurchase agreements	74,993	27,253	95,310	-
Borrowings	90,000	165,700	141,000	-
Provision for taxation and zakat	1,510	439	732	1,181
Deferred tax liabilities	-	-	-	22
<b>TOTAL LIABILITIES</b>	<b>5,601,115</b>	<b>5,173,588</b>	<b>5,256,224</b>	<b>4,711,853</b>
<b>EQUITY</b>				
Share capital	246,137	180,637	770,000	770,000
Reserves	645,329	705,319	84,982	130,751
Equity attributable to equity holders of the Bank	891,466	885,956	854,982	900,751
Non-controlling interests	-	10,236	9,749	8,592
<b>TOTAL EQUITY</b>	<b>891,466</b>	<b>896,192</b>	<b>864,731</b>	<b>909,343</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,492,581</b>	<b>6,069,780</b>	<b>6,120,955</b>	<b>5,621,196</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>3,293,234</b>	<b>2,923,332</b>	<b>3,280,327</b>	<b>1,959,542</b>

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## 6. INFORMATION ON KIBB (Cont'd)

### Statement of profit or loss and other comprehensive income

	12-months ended 31 December 2017 RM'000 Unaudited	12-months ended 31 December 2016 RM'000 Audited	12-months ended 31 December 2015 RM'000 Audited Restated	12-months ended 31 December 2014 RM'000 Audited
<b>Operating revenue</b>	697,625	585,317	562,988	580,852
Interest income	295,335	255,187	237,095	214,687
Interest expense	(208,506)	(166,458)	(154,640)	(138,319)
Net interest income	86,829	88,729	82,455	76,368
Net income from Islamic banking operations	11,082	15,933	9,443	5,401
Other operating income	368,147	304,696	307,425	366,638
Net income	466,058	409,358	399,323	448,407
Other operating expenses	(411,190)	(377,058)	(381,648)	(395,878)
Operating profit	54,868	32,300	17,675	52,529
(Allowance for)/Write back of impairment on:				
i. loans, advances and financing	(292)	(653)	1,335	477
ii. balances due from clients and brokers and other receivables	(601)	1,439	(2,333)	(10,414)
	53,975	33,086	16,677	42,592
Share of results of associates and joint venture	(13,356)	(549)	1,546	2,451
Profit before taxation and zakat	40,619	32,537	18,223	45,043
Taxation and zakat	(16,453)	(12,330)	(5,762)	(11,061)
Profit for the financial year	24,166	20,207	12,461	33,982
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences on consolidation	(6,649)	2,735	14,226	3,123
Share of other comprehensive gain/(loss) in associates	1,531	3,106	(8,156)	(3,830)
Net gain/(loss) on fair value changes of financial investments available-for-sale	3,333	7,122	(3,937)	19,435
Income tax relating to the components of other comprehensive income	(800)	(1,709)	816	(4,859)
Other comprehensive (loss)/income for the financial year, net of tax	(2,585)	11,254	2,949	13,869
<b>Total comprehensive income for the financial year, net of tax</b>	<b>21,581</b>	<b>31,461</b>	<b>15,410</b>	<b>47,851</b>

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**6. INFORMATION ON KIBB (Cont'd)**


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**Statement of profit or loss and other comprehensive income**

	12-months ended 31 December 2017 RM'000 Unaudited	12-months ended 31 December 2016 RM'000 Audited	12-months ended 31 December 2015 RM'000 Audited Restated	12-months ended 31 December 2014 RM'000 Audited
<b>Profit for the financial year attributable to:</b>				
Equity holders of the Bank	24,188	19,720	11,304	33,165
Non-controlling interests	(22)	487	1,157	817
	24,166	20,207	12,461	33,982
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	21,603	30,974	14,253	47,034
Non-controlling interests	(22)	487	1,157	817
	21,581	31,461	15,410	47,851
<b>Earnings per share attributable to equity holders of the Bank:</b>				
Basic (sen)	3.35	2.59	1.47	4.31
Fully diluted (sen)	3.35	2.59	1.47	4.31

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**6. INFORMATION ON KIBB (Cont'd)**


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**Statement of cash flows**

	12-months ended 31 December 2017 RM'000 Unaudited	12-months ended 31 December 2016 RM'000 Audited Restated	12-months ended 31 December 2015 RM'000 Audited Restated	12-months ended 31 December 2014 RM'000 Audited
<b>Cash flows from operating activities</b>				
Profit before taxation and zakat	40,619	32,537	18,223	45,043
Adjustment for:-				
Allowance for/(Write back of) impairment on loans, advances and financing	366	1,029	(353)	(75)
Depreciation of property, plant and equipment	13,154	12,390	8,963	15,136
Amortisation of intangible assets - software licence	666	970	456	208
Allowance/(Write back) for impairment on balances due from clients and brokers, and other receivables	1,234	(1,352)	2,387	15,065
Property, plant and equipment written off	364	4,844	657	723
Gross dividend income from investments	(1,897)	(2,406)	(3,801)	(1,452)
Loss/(Gain) on disposal of property, plant and equipment	21	-	(168)	(307)
Operating profit before working capital changes carried forward	<u>54,527</u>	<u>48,012</u>	<u>26,364</u>	<u>74,341</u>

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**6. INFORMATION ON KIBB (Cont'd)**


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	<b>12-months ended 31 December 2017 RM'000 Unaudited</b>	<b>12-months ended 31 December 2016 RM'000 Audited Restated</b>	<b>12-months ended 31 December 2015 RM'000 Audited Restated</b>	<b>12-months ended 31 December 2014 RM'000 Audited</b>
<b>Cash flows from operating activities (cont'd.)</b>				
Operating profit before working capital changes brought forward	54,527	48,012	26,364	74,341
Net gain from sale of financial assets at fair value through profit or loss and derivatives	(57,370)	(59,574)	(3,700)	(28,296)
Net (gain)/loss from sale of financial investments available-for-sale	(2,868)	(21,620)	(7,236)	3,012
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	7,632	18,650	(17,940)	(6,117)
Loss from dissolution of subsidiaries	-	-	(50)	-
Share of results of associates and joint venture	13,356	549	(1,546)	(2,451)
Operating profit/(loss) before working capital changes		<u>(13,983)</u>	<u>(4,108)</u>	<u>40,489</u>

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**6. INFORMATION ON KIBB (Cont'd)**


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**Statement of cash flows (cont'd)**

	12-months ended 31 December 2017 RM'000 Unaudited	12-months ended 31 December 2016 RM'000 Audited Restated	12-months ended 31 December 2015 RM'000 Audited Restated	12-months ended 31 December 2014 RM'000 Audited
(Increase)/decrease in operating assets:				
Loans, advances and financing	(90,283)	(176,549)	(97,825)	(152,937)
Other assets	111,869	(20,330)	(24,213)	60,387
Statutory deposit with Bank Negara Malaysia	(16,682)	21,249	6,823	15,574
Balances due from clients and brokers	(49,978)	12,889	(80,212)	53,633
Trust monies and deposits	(18,523)	223,206	38,332	(77,053)
Increase/(decrease) in operating liabilities:				
Other liabilities	96,123	(19,833)	65,117	(502)
Balances due to clients and brokers	(232,453)	(39,237)	151,540	33,232
Deposits from customers	947,887	69,488	136,454	(294,623)
Deposits and placements of banks and other financial institutions	(340,192)	(24,205)	(112,895)	194,117
Obligations on securities sold under repurchase agreements	47,740	(68,057)	95,310	-
Cash generated from/(used in) operations	470,785	(35,362)	174,323	(127,683)
Taxation and zakat paid	(16,002)	(11,497)	(11,226)	(8,577)
Net cash generated from / (used in) operating activities	454,783	(46,859)	163,097	(136,260)

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**6. INFORMATION ON KIBB (Cont'd)**


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**Statement of cash flows (Cont'd)**

	12-months ended 31 December 2017 RM'000 Unaudited	12-months ended 31 December 2016 RM'000 Audited Restated	12-months ended 31 December 2015 RM'000 Audited	12-months ended 31 December 2014 RM'000 Audited
<b>Cash flows from investing activities (cont'd.)</b>				
Dividend income from investments	1,897	2,406	3,801	1,452
Purchase of property, plant and equipment	(17,452)	(158,627)	(5,972)	(13,055)
Purchase of intangible assets	(200)	(718)	(521)	(1,908)
Proceeds from disposal of property, plant and equipment	131	2,888	748	314
Acquisition of non-controlling interest	(10,050)	-	-	-
Additional investment in a joint venture	(12,500)	(7,500)	-	-
Net (purchase)/sales of securities	(223,259)	268,807	251,367	298,186
Net cash (used in)/generated from investing activities	(261,433)	107,256	249,423	284,989
<b>Cash flows from financing activity</b>				
Subordinated obligations	-	-	-	(1,384)
Dividend paid	(16,257)	-	(7,249)	-
Repayment of hire purchase and finance	-	-	(38)	-
Net (repayment)/drawdown of borrowings	(75,700)	24,700	(11,500)	-
Buy-back of shares	-	-	(6,604)	-
Net cash (used in)/generated from financing activities	(91,957)	24,700	(25,391)	(1,384)
<b>Net increase in cash and cash equivalents</b>	101,393	85,097	387,129	147,345
<b>Cash and cash equivalents at beginning of financial year</b>	1,041,684	956,587	571,674	343,051
<b>Cash and cash equivalents at end of financial year</b>	1,143,077	1,041,684	958,803	490,396

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**7. APPROVALS AND CONDITIONS**

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The Foreign Exchange Administration Department (“**FEA**”) of BNM approved the issuance of the Structured Warrants for resident and non-residents of Malaysia via its letter dated 30 September 2010. The conditions imposed by BNM for the approval and the status of our compliance with these conditions are as follows:-

<b>Details of conditions imposed</b>	<b>Status of compliance</b>
The structured warrants do not lead to speculation on the ringgit.	To be complied with
All hedging of ringgit underlying reference assets by KIBB must be undertaken with licensed onshore banks or Bursa Securities.	To be complied with
All settlements in ringgit and hedging of currency exposure involving ringgit by KIBB and investors must be undertaken only with licensed onshore banks in Malaysia.	To be complied with
KIBB complies with all guidelines issued by relevant authorities, as well as written laws, in Malaysia.	To be complied with
In offering the above product, KIBB is subject to BNM’s Guidelines on Introduction of New Products, including the requirement to provide investors with full and accurate information on the risks associated with the ringgit-denominated cash settled European-style structured warrants.	To be complied with

We have registered a copy of this Base Prospectus with the SC. A copy of this Base Prospectus has also been lodged with the Registrar of Companies who takes no responsibility for its content. We will be applying to the SC for the registration of each Term Sheets to be issued pursuant to each Offer. Each Term Sheet will contain supplemental disclosures and the particular terms and conditions of an Offer. A copy of the Term Sheets will also be lodged with the Registrar of Companies.

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## 8. DIRECTORS' REPORT

# kenanga

19 APR 2018

Registered Office

Level 17,  
Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur  
Wilayah Persekutuan

The Warrantholders,

Dear Sir/Madam

On behalf of the Directors of Kenanga Investment Bank Bank Berhad ("KIBB"), I report after due inquiry that save as disclosed in the Base Prospectus during the period from 31 December 2016 (being the date to which the last audited financial statements of KIBB have been made) to **19 APR 2018** (being a date not earlier than fourteen (14) days before the issue of this prospectus) :-

- (a) The business of KIBB and its subsidiaries ("KIBB Group") has, in the opinion of the Directors of KIBB, been satisfactorily maintained;
- (b) In the opinion of the Directors of KIBB, no circumstances have arisen which have adversely affected the trading or the values of the assets of the KIBB Group;
- (c) The current assets of the KIBB Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) There are no contingent liabilities arisen by reason of any guarantees or indemnities given by KIBB or any of its subsidiaries;
- (e) There has been, since the last audited financial statements of the KIBB Group, no default nor any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Directors of KIBB are aware of; and
- (f) There has been, since the last audited financial statements of the KIBB Group, no material changes in the published reserves nor any unusual factors affecting the profits of the KIBB Group.

Yours faithfully

For and on behalf of the Board of Directors of  
**KENANGA INVESTMENT BANK BERHAD**



**IZLAN IZHAB**  
Chairman/Independent Non-Executive Director

**9. DECLARATION BY THE ISSUER AND SOLICITOR**

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As indicated in Section 4.1.5 of this Base Prospectus, potential conflicts of interests may arise by virtue of us issuing securities to potential investors. However, any potential conflict of interest is mitigated via, amongst others, the following:

- (i) our Structured Warrants are governed by the Deed Poll;
- (ii) disclosure and representation in this Base Prospectus, Terms Sheets or any offer document in relation to the offering of Structured Warrants are governed by relevant regulations and guidelines pertaining to the contents of such documents;
- (iii) pricing mechanisms of the Structured Warrants are based on market parameters; and
- (iv) Chinese walls exist between departments and companies within our Group to ensure confidentiality of sensitive information. The conduct of our Company is regulated by FSA and our internal control and checks.

Messrs. Cheang & Ariff has been appointed as our Solicitors in respect of the Offer and has given confirmation that there is no conflict of interests in its capacity as our Solicitors in respect of the Offer.

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## **10. ADDITIONAL INFORMATION (Cont'd)**

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### **10.1 GENERAL**

#### **10.1.1 Issuance and allotment of Structured Warrants**

We will not allot or issue any Structured Warrants on the basis of this Base Prospectus later than twelve (12) months from the date of this Base Prospectus.

#### **10.1.2 CBBCs legal liabilities in relation to any losses suffered**

The KIBB Group shall not incur any liability (whether based on contract, tort (including but not limited to negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilful misconduct on the part of the KIBB Group) for any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by any other party arising from or in connection with the Mandatory Call Event or the suspension of trading or the non-recognition of trades after the Mandatory Call Event ("Non-Recognition of Post Mandatory Call Event Trades"), including without limitation, any delay, failure, mistake or error in the suspension of trading or Non-Recognition of Post Mandatory Call Event Trades.

Neither we nor the KIBB Group has any responsibility towards the investor for any losses suffered as a result of the suspension of trading and Non-Recognition of Post Mandatory Call Event Trades, in connection with the occurrence of the Mandatory Call Event or reinstatement of any Mandatory Call Event Trades cancelled in connection with the reversal of any Mandatory Call Event, notwithstanding that such suspension of trading and/or Non-Recognition of Post Mandatory Call Event Trades and/or reinstatement of any Mandatory Call Event trades cancelled occurs as a result of an error in the observation of the event.

### **10.2 MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, we are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which is outside the ordinary course of business and our Board is not aware of any proceedings, pending or threatened, against us or of any fact likely to give rise to any proceedings which might materially and adversely affect our ability to meet our obligations under the Structured Warrants.

- (a) **Kuching High Court (Suit No.: KCH-22-90-2011)**  
**Swee Joo Berhad ("SJB") & 9 Ors (collectively, the "Plaintiffs") vs. Kenanga Investment Bank Berhad**  
**Court of Appeal, Civil Appeal No. Q-02(W)-1276-08/2015**  
**Kenanga Investment Bank Berhad vs. Swee Joo Berhad & 9 Ors**  
**Federal Court Civil Application No. 08-244-05-2016**  
**Kenanga Investment Bank Berhad vs. Swee Joo Berhad & 9 Ors**  
**Federal Court Civil Application No. 08 (f) – 28-01/2018(Q)**  
**Swee Joo Berhad & 9 Ors vs Kenanga Investment Bank Berhad**  
**(hereinafter referred to as "Case 1")**

**Kuching High Court (Suit No.: KCH-22-5/1-2010)**  
**Kenanga Investment Bank Berhad vs. Sim Swee Joo Holding Sdn. Bhd. & 7 Ors**  
**(collectively the "Defendants")**  
**Court of Appeal, Civil Appeal No. Q-02(W)-1277-08/2015**  
**Kenanga Investment Bank Berhad vs. Sim Swee Joo Holding Sdn. Bhd. & 7 Ors**  
**Federal Court Civil Application No. 08-245-05/2016**  
**Kenanga Investment Bank Berhad vs. Sim Swee Joo Holding Sdn. Bhd. & 7 Ors**  
**Federal Court Civil Application No. 08(F)-28-01/2018(Q)**  
**Sim Swee Joo Holding Sdn. Bhd & 7 Ors v Kenanga Investment Bank Berhad**  
**(hereinafter referred to as "Case 2")**

## 10. ADDITIONAL INFORMATION (*Cont'd*)

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### **In respect of Case 1:**

On 18 May 2011, Swee Joo Berhad (“**SJB**”) and Asia Bulkers Sdn. Bhd. (“**ABSB**”) together with eight (8) other Plaintiffs commenced the proceedings, claiming for several injunctive and declarative reliefs and general and punitive damages together with interest and costs against Kenanga Investment Bank Berhad (“**KIBB**”).

The Plaintiffs’ claims arose from their dispute over the Memorandum of Deposit of Shares (“**MODs**”) executed by eight (8) of the Plaintiffs (“**Share Chargors**”) whereby they had charged their respective shares in SJB to KIBB as security for repayment of a term loan of RM120,000,000.00 granted by KIBB to SJB to part finance SJB’s purchase of two (2) ships through its subsidiary, namely ABSB (“**Term Loan**”).

The proceedings have arisen as a result of SJB’s default in repayment of the Term Loan. The essence of the Plaintiffs’ claims is to set aside the MODs and to claim for damages. KIBB filed its defence and counter-claim for defamation, misrepresentation and abuse of the court’s process against the Plaintiffs.

On 28 March 2012, the Kuching High Court has ordered that the Case 1 be heard together with Case 2.

### **In respect of Case 2:**

On 12 July 2011, KIBB demanded from SJB, two (2) corporate guarantors (i.e ABSB and Johan Shipping Sdn. Bhd. (“**JSSB**”)), and the Share Chargors for the total outstanding sums due under the Term Loan of RM120,000,000.00 granted to SJB as all of them defaulted in repayment to the Issuer.

On 11 July 2011, SJB, ABSB and JSSB were voluntarily wound up. KIBB had filed its Proof of Debt with the Liquidator for these three (3) companies.

KIBB had exercised its right under the MODs against the Share Chargors for defaulting, by disposing of the charged shares on 15 November 2011 to utilize the share sale proceeds to reduce the total outstanding balance due under the Term Loan (leaving a shortfall sum of RM124,536,136.89) due as at 18 November 2011 (“**Shortfall Sum**”). KIBB had subsequently demanded for the Shortfall Sum from the Share Chargors, which the Share Chargors again defaulted.

KIBB is claiming from the Share Chargors a sum of RM124,536,136.89 due as at 18 November 2011 with interest thereon at the rate of 3.5% per annum above the Issuer’s cost of funds, compounded monthly from 19 November 2011 to date of full settlement.

The Court has ordered that the Case 2 be heard together with the Case 1.

### **In respect of Case 1 and Case 2:**

In respect of Case 1 and Case 2, the Plaintiff is SJB & 9 Ors and KIBB is the Defendant.

Decision for the matter was delivered on 8 July 2015 as follows:

- (a) the SJB & 9 Ors’ claim, be allowed in terms of only prayer 7A of the amended statement of claim (i.e a declaration or order that KIBB is estopped from relying upon the memoranda of deposit and/or clause 9 and/or from asserting personal liability on the part of the second to ninth Plaintiffs for the indebtedness);

**10. ADDITIONAL INFORMATION (Cont'd)**

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(b) KIBB's counter-claim be dismissed; and

(c) the purchase price of the charged shares bought by KIBB in the sum of RM218,697.30 to be the cost of the action which the Plaintiffs must pay to KIBB.

KIBB filed its appeals to the Court of Appeal on 29 July 2015, while the SJB & 9 Ors filed a cross-appeal on 30 September 2015.

On 22 December 2017, the Court of Appeal delivered their decision as follows:-

- a) Judgment was granted in favour of KIBB against SJB & 9 Ors for the outstanding balance due under the loan ; and
- b) SJB & 9 Ors suit against KIBB has been dismissed.

SJB & 9 Ors had filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision on 19 January 2018. Thus far, no case management date has been fixed as of the LPD.

Following the judgment, two (2) of the Plaintiffs withdrew their application for leave to appeal to the Federal Court on 9 February 2018. KIBB shall continue to execute the Judgment granted by the Court of Appeal against the remaining (6) six Plaintiffs

- (b) **Kuala Lumpur High Court (Suit No.: 22NCC-1315-08/2012)**  
**Quah Ley Beng & Anor ("Plaintiffs") vs. ECM Libra Investment Bank Berhad (vested into Kenanga Investment Bank Berhad) & Dato' Joseph Ambrose Lee ("Defendant(s)")**  
**Court of Appeal Civil Appeal No. W-02(NCC)(W)-1054-06/2014**  
**Quah Ley Beng & Anor ("Plaintiff(s)") vs. Kenanga Investment Bank Berhad & Dato' Joseph Ambrose Lee ("Defendant(s)")**  
**Federal Court Civil Application No.: 08(f)-639-12/2016(W)**  
**Quah Ley Beng & Anor ("Applicants") v Kenanga Investment Bank Berhad (previously known as ECM Libra Investment Bank Berhad) & Dato' Joseph Ambrose Lee**

On 17 August 2012, the Plaintiffs filed a claim against the Defendants for the return of RM3,104,310.38, being the balance in two (2) margin accounts held under the Plaintiffs' names on the ground that they were named account holders of those 2 accounts. The said amount was used by the Defendants towards satisfaction of a judgment debt owing by a judgment debtor ("**Judgment Debtor**"). The Judgment Debtor claimed that the monies held in the said margin accounts under the Plaintiffs' names belonged to him and represented to KIBB that the monies may be used towards satisfaction of his judgment debt to KIBB.

KIBB filed its defence on 3 September 2012 and also commenced third party proceedings against the Judgment Debtor for an indemnity. The High Court allowed the Judgment Debtor's application to intervene and be named as co-defendant. The High Court allowed the Judgment Debtor's application and he has since filed his defence and counterclaim against the Plaintiffs. The trial was concluded on 18 February 2014 and the Court has dismissed the Plaintiffs' claims on 16 May 2014.

The Plaintiffs have filed an appeal on 11 June 2014 and the appeal had concluded on 20 June 2016. On 8 November 2016, the Court of Appeal dismissed the Plaintiffs' appeal with costs of RM25,000.00 to KIBB.



**10. ADDITIONAL INFORMATION (Cont'd)**

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The Plaintiffs have filed an application for leave to appeal to the Federal Court on 6 December 2016 against the decision of the Court of Appeal. On 4 October 2017, the Federal Court dismissed the Plaintiffs application with costs.

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**10. ADDITIONAL INFORMATION (Cont'd)**

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**10.3 MATERIAL CONTRACTS**

Save as disclosed below, our Company and subsidiaries have not entered into any material contract (not being contract entered into in our ordinary course of business), during the past two (2) years preceding the LPD:-

- (a) On 1 July 2016, KIBB and K & N had entered into a Reorganisation Agreement to give effect to the proposed internal reorganisation which entails, among others, the transfer of the identified assets and liabilities of K & N to KIBB, capital reduction and repayment of the entire share capital in K & N, share issuance of 2 ordinary shares of RM1.00 each in K & N to KIBB, capital reduction of certain share capital of KIBB and transfer of listing status of K & N to KIBB. The proposed internal reorganization was completed on 1 November 2016 and the entire issued and paid-up share capital of KIBB was listed on the Main Market of Bursa Securities on 2 November 2016. .
- (b) On 9 March 2017, KIBB entered into a Memorandum of Understanding (“**MOU**”) with MIMOS Berhad (“**MIMOS**”) to collaborate in the research and development of information and communications technology in the area of financial services industry, subject to any relevant regulatory approval being obtained. The MOU is effective for a one (1) year period from 9 March 2017, unless earlier terminated by either party by providing three (3) months’ notice to terminate, or both KIBB and MIMOS enter into an agreement to formalize the co-operation of both parties pursuant to the MOU.
- (c) KIBB has entered into a sales purchase agreement on 16 May 2017 with Deutsche Asia Pacific Holdings Pte Ltd (“**DAPH**”) in relation to the acquisition of the remaining 27% shares in Kenanga Futures Sdn Bhd (formerly known as Kenanga Deutsche Futures Sdn Bhd) from DAPH for a purchase consideration of RM10,049,615.60. Upon the completion of the sale and purchase on 27 July 2017, Kenanga Futures Sdn Bhd has become the wholly-owned subsidiary of KIBB.

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## **10. ADDITIONAL INFORMATION (Cont'd)**

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### **10.4 CONSENTS**

The Solicitors for the Offer, Company Secretary, Auditors, MARC Ratings and Warrants Registrar have, before the issue of this Base Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Base Prospectus of their names and all reference thereto in the form and context in which they appear in the Base Prospectus.

### **10.5 CONFLICT OF INTEREST**

Information on any agreement, arrangement or understanding (direct or indirect) in place at the relevant latest practicable date between KIBB Group, and any substantial shareholder of the relevant underlying corporation, where such agreement, arrangement or understanding will have an effect on the issuance of the relevant Structured Warrants (if applicable), shall be disclosed accordingly in the relevant Term Sheets to be issued.

### **10.6 DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of at least twelve (12) months from the date of this Base Prospectus:-

- (i) Our Memorandum and Articles of Association;
- (ii) Deed Poll;
- (iii) The audited financial statements of KIBB and its subsidiaries for the last three (3) financial years up to the FYE 31 December 2016 and the unaudited consolidated financial statements for the FYE 31 December 2017;
- (iv) Relevant cause papers in respect of the material litigation referred to in Section 10.2 of this Base Prospectus;
- (v) The material contracts referred to in Section 10.3 of this Base Prospectus; and
- (vi) The letters of consent referred to in Section 10.4 of this Base Prospectus.

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**10. ADDITIONAL INFORMATION (Cont'd)**

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**10.7 RESPONSIBILITY STATEMENT**

- (i) We acknowledge that, based on all available information, and to the best of our knowledge and belief, this Base Prospectus constitutes a full and true disclosure of all material facts concerning the Offer.
- (ii) Our Directors have seen and approved this Base Prospectus. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Base Prospectus and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Base Prospectus false or misleading.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL**

**DEFINITIONS**

In these Conditions, the following expressions shall unless the context otherwise requires have the respective meanings set opposite them:

<b>“Act”</b>	Companies Act 2016 as amended from time to time, and any re-enactment thereof;
<b>“Articles”</b>	the Issuer’s memorandum and articles of association as may be varied and/or amended from time to time;
<b>“Assets”</b>	all assets and property of any nature, whether present or future, including without limitation any undertaking, business, revenue, income, rights and benefits;
<b>“Base Prospectus”</b>	the base prospectus dated on or about 23 April 2018 to be issued by the Issuer in respect of the Structured Warrants, which is valid for 12 months from the date of issuance, as updated or amended from time to time by way of successor documents, and as supplemented by the Issuer from time to time by a Term Sheet for each series of Structured Warrants;
<b>“Bull Equity Linked Structures” or “Bull ELS”</b>	contract under which the warrant holder has right to receive on settlement date:  (i) the principal amount plus the enhanced yield amount in the form of cash, where the closing price of the underlying share on expiry date is at or above the exercise price; or  (ii) a specified number of underlying shares or an amount in the form of cash calculated by reference to the price of the underlying share, where the closing price of the underlying share on expiry date is below the exercise price;
<b>“Bursa Depository”</b>	Bursa Malaysia Depository Sdn Bhd (165570-W);
<b>“Bursa Securities”</b>	Bursa Malaysia Securities Berhad (635998-W);
<b>“Cash Settlement Amount”</b>	the amount of cash to be paid on valid exercise of the Structured Warrants in accordance with the Conditions;
<b>“Callable bull/bear certificate” or “CBBC”</b>	contract under which upon the occurrence of a mandatory call event, will be called and terminated before its expiry date. A warrant holder shall have actual, contingent or prospective right to receive a cash amount, depending on the fluctuations in the value or price of an underlying instrument, and the amount will be calculated in accordance with the contract;
<b>“Conditions”</b>	the Conditions of the Structured Warrants set out in the Second Schedule to this Deed Poll as may from time to time be modified in accordance with the provisions set out in this Deed Poll;
<b>“Deed Poll”</b>	the deed poll dated 19 April 2018 as amended, modified or supplemented from time to time in accordance with the provisions of the deed poll, and includes any schedule to supplement the deed poll which sets out the terms and conditions of a specific series of Structured Warrants;

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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<b>“Depositor”</b>	a holder of a Securities Account;
<b>“Director”</b>	a director of the Issuer;
<b>“Encumbrance”</b>	any charge, mortgage, pledge, lien, hypothecation or other encumbrance;
<b>“ETF”</b>	an exchange-traded fund;
<b>“Exercise Notice”</b>	a notice of exercise of Structured Warrants substantially in the form obtainable from the Warrant Registrar;
<b>“Event of Default”</b>	a default by the Issuer in the performance of any of its settlement obligations under this Deed Poll;
<b>“Form of proxy”</b>	the form of proxy referred to in Paragraph 7(1) under the Third Schedule to this Deed Poll;
<b>“Governmental Agency”</b>	any government, semi-governmental, regulatory, administrative, fiscal or judicial:body; (a) commission; (b) authority; (c) tribunal; or (d) agency
<b>“Group”</b>	collectively the Issuer and its subsidiaries (as defined in the Act);
<b>“Issuer”</b>	<b>KENANGA INVESTMENT BANK BERHAD</b> (Company No. 15678-H), a company incorporated in Malaysia with its registered office at Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur;
<b>“Market Day”</b>	(i) In relation to Structured Warrants issued over Underlying Shares or Underlying ETF, means a day (other than Saturday, Sunday or public holiday) on which the relevant securities exchanges are open for trading during the normal trading hours in the respective place where the relevant Underlying Shares or Underlying ETF and Structured Warrants are quoted and traded; or  (ii) In relation to Structured Warrants issued over an Underlying Index, means a day (other than Saturday, Sunday or public holiday) on which the relevant securities exchange is open for trading during the normal trading hours in the place where the relevant Underlying Index is compiled and published by the said member of the World Federation of Exchanges and the Structured Warrants are quoted and traded,  as the case may be;
<b>“Ordinary Resolution”</b>	a resolution passed at a meeting of Warranholder or Warranholders of a series of Structured Warrants duly convened and held in accordance with the provisions of this Deed Poll and carried by a majority consisting of more than fifty percent (50%) of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of more than fifty percent (50%) of the votes cast on a poll;
<b>“Prescribed Security”</b>	a security which has been prescribed by Bursa Securities to be deposited with Bursa Depository under section 14 of SICDA;

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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<b>“Proxy”</b>	a proxy referred to in Paragraph 7(1) under the Third Schedule to this Deed Poll;
<b>“Record of Depositors”</b>	the record provided by Bursa Depository to a listed issuer under Chapter 24.0 of the Rules of Bursa Depository;
<b>“Relevant Currency”</b>	such currency of trading to which the Underlying Share, the Underlying ETF or the Underlying Index, as the case may be, relates and as specified in the relevant Term Sheet;
<b>“Rules of Bursa Depository”</b>	the rules of Bursa Depository as issued under the SICDA;
<b>“SICDA”</b>	the Securities Industry (Central Depositories) Act 1991, as amended from time to time, and any re-enactment thereof;
<b>“SC”</b>	Securities Commission Malaysia;
<b>“Secretary”</b>	Company secretary of the Issuer;
<b>“Securities Account”</b>	an account established by Bursa Depository for a Depositor for the recording of deposits of securities and for dealing in such securities by the Depositor as permitted under SICDA and/or the Rules;
<b>“Securities Exchange(s)”</b>	such exchange or quotation system in Malaysia and securities exchange outside Malaysia in which the Underlying Shares or Underlying ETF or the Underlying Index or Structured Warrants are quoted and/or traded as specified in the relevant Term Sheets;
<b>“Settlement Currency”</b>	such currency, upon which payment is made to the warrant holder, to be determined by the Issuer and as specified in the relevant Term Sheet.
<b>“Special Resolution”</b>	a resolution passed at a meeting of Warrant holder or Warrant holders of a series of Structured Warrants duly convened and held and carried by a majority consisting of at least seventy five percent (75%) of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of at least seventy five percent (75%) of the votes cast on a poll;
<b>“Structured Warrant Certificate”</b>	the certificate of each series of Structured Warrants issued or to be issued in respect of the Structured Warrants in or substantially in the form set out in the First Schedule to this Deed Poll by the Issuer to Bursa Depository or its nominee company as the same may from time to time be modified in accordance with this Deed Poll;
<b>“Structured Warrants”</b>	non-collateralised structured warrants proposed to be issued by the Issuer which include: <ul style="list-style-type: none"><li>(i) American style cash settled call/put warrants over a single equity;</li><li>(ii) American style cash settled call/put warrants over a basket of equities;</li><li>(iii) American style cash settled call/put warrants over a single index;</li><li>(iv) American style cash settled call/put warrants over an ETF;</li><li>(v) European style cash settled call/put warrants over a single equity;</li><li>(vi) European style cash settled call/put warrants over a basket of equities;</li><li>(vii) European style cash settled call/put warrants over a single index;</li></ul>

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (viii) European style cash settled call/put warrants over an ETF;
- (ix) European style cash settled CBBCs over a single equity;
- (x) European style cash settled CBBCs over a single index;
- (xi) European style cash settled CBBCs over an ETF; and
- (xii) Bull ELS,

where the equity(ies) and ETF are listed on, and indices are based on Bursa Securities and/or Securities Exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities.

Reference to “Structured Warrant” may mean any one of the Structured Warrants in this definition;

<b>“Term Sheet(s)”</b>	the document containing the specific terms and conditions and information on a specific series of Structured Warrants, to be issued by the Issuer from time to time and which shall be supplemental to and should be read in conjunction with the Base Prospectus;
<b>“Underlying Company(ies)”</b>	in relation to a particular series of Structured Warrants, the company(ies) or corporation(s) that has(have) issued the Underlying Shares;
<b>“Underlying ETF”</b>	in relation to a particular series of Structured Warrants, the units of ETF which are the subject of that particular series of Structured Warrants, as specified in the relevant Term Sheet;
<b>“Underlying Index”</b>	in relation to a particular series of Structured Warrants, the index which is the subject of that particular series of Structured Warrants, as specified in the relevant Term Sheet;
<b>“Underlying Index Sponsor”</b>	in relation to a particular series of Structured Warrants, the index sponsor which compiles and publishes the Underlying Index, as specified in the relevant Term Sheet;
<b>“Underlying Share(s)”</b>	in relation to a particular series of Structured Warrants, the shares or shares comprising the basket of shares which are the subject of that particular series of Structured Warrants, as specified in the relevant Term Sheet;
<b>“Warrant Agency Agreement”</b>	the warrant agency agreement to be entered or entered into between the Issuer and the Warrant Registrar in relation to the Structured Warrants;
<b>“Warrantholder(s)”</b>	the person or persons whose names for the time being appear on the Record of Depositors for the Structured Warrants; and
<b>“Warrant Registrar”</b>	Symphony Share Registrars Sdn Bhd (Company No.:378993-D), a company incorporated in Malaysia with its registered office at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, or any such person, firm or company as for the time being appointed by the Issuer.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(i) American style non-collateralised cash settled call/put warrants over a single equity**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued by the Issuer in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warrantheolders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantheolders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantheolders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantheolders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantheolders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantheolders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined below) of Structured Warrants entitles the Warrantheolder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment from the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency and, calculated as follows less Exercise Expenses (as defined below):

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of call warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Price} - \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of put warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Closing Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Closing Price and the Exercise Price (as defined below) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrant holders.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) Underlying Share relates, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5- *Adjustments* below and as specified in the relevant Term Sheet.

“**Exercise Amount**” means the amount of Structured Warrants which is exercised.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

Before the Expiry Date, the “**Closing Price**” shall be determined as follows:

- (i) on a receipt of a valid Exercise Notice before 12.30 p.m. of the Exercise Date being a Market Day which is prior to and including the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Closing Price will be based on the closing market price of the Underlying Share on the Exercise Date; or
- (ii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which is prior to the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Closing Price will be based on the closing market price of the Underlying Shares immediately following the Exercise Date; or
- (iii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which falls on the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date or at any time during the five (5) Market Days immediately before the Expiry Date, the Closing Price will be based on the Expiry Date Closing Price (as defined below).

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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If the Exercise Date falls within the Take-Over Offer (as defined below) period or the compulsory acquisition period, the Closing Price shall be as calculated above or the announced price for the Take-Over Offer, whichever is lower (for Call Warrants) or higher (for Put Warrants), as the case may be.

If the Underlying Shares is suspended from trading as a result of the Take-Over Offer or the compulsory acquisition, and the Structured Warrants is only exercised subsequently, the Closing Price shall be the last quoted price of such Underlying Shares immediately before the suspension or the announced price for the Take-Over Offer, whichever is lower (for Call Warrants) or higher (for Put Warrants), as the case may be.

For the avoidance of doubt, in the event the Underlying Shares is delisted, the Closing Price shall, at the Issuer's discretion be the last quoted price of the Underlying Shares immediately before De-Listing (as defined below) or determined in accordance with the Expiry Date Closing Price (as defined below), as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

If the Exercise Date falls on a Market Day when the Underlying Shares is suspended from trading for any other reason, the Closing Price shall be the last quoted price of such Underlying Shares immediately before the suspension.

On the Expiry Date, the Closing Price ("**Expiry Date Closing Price**") will be based on any one of the following:

- (i) the average daily VWAP (as defined below) of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date ("**Valuation Period**"); or
- (ii) the average closing price of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (iii) the closing price of the Underlying Shares on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

If the Expiry Date falls within the Take-Over Offer period or the compulsory acquisition period, the Expiry Date Closing Price shall be as calculated above or the announced price for the Take-Over Offer, whichever is lower (for Call Warrants) or higher (for Put Warrants), as the case may be.

If the Expiry Date falls on a Market Day when the Underlying Shares is suspended from trading as a result of the Take-Over Offer or the compulsory acquisition, the Expiry Date Closing Price shall be the last quoted price of such Underlying Shares immediately before the suspension or the announced price for the Take-Over Offer, whichever is lower (for Call Warrants) or higher (for Put Warrants), as the case may be.

For the avoidance of doubt, in the event the Underlying Shares is delisted, the Expiry Date Closing Price shall, at the Issuer's discretion be the last quoted price of the Underlying Shares immediately before De-Listing or determined in accordance with

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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the Expiry Date Closing Price (as defined above), as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

If the Underlying Shares is suspended from trading for any reason other than the above or a public holiday unexpected by the Issuer occurs on any of the five (5) Market Days of the Valuation Period applicable shall be as determined by the Issuer at its absolute discretion.

“**VWAP**” means volume weighted average price.

For the Underlying Shares which are quoted on Securities Exchange outside Malaysia, the Closing Price and the Exercise Price may be quoted in currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Exercise Date (i.e. the Market Day on which the Closing Price for Structured Warrants exercised on or prior to the Expiry Date is based) or any Market Day during the Valuation Period shall be referred to as “**Valuation Date**”.

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of Issuer’s good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing price of the Underlying Shares for such postponed Valuation Date will be the closing market price of the Underlying Shares on the first succeeding Market Day.

“**Exercise Price**” means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Market Disruption Event**” means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying Shares or the Structured Warrants, which includes but is not limited to the following events:

- (i) “**Trading Disruption**”, means
  - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Securities Exchange relating either to the Underlying Shares or the Structured Warrants; or

- (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
  - (ii) **“Exchange Disruption”**, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
  - (iii) **“Early Closure”**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
  - (c) *No rights.* The purchase of Structured Warrants does not entitle the Warranholders to the delivery of any Underlying Shares, is not secured by the Underlying Shares and does not confer on the Warranholders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Shares or otherwise) which a holder of the Underlying Shares may have.

**3. Exercise Period and Expiry Date**

- (a) *Exercise Period.* The Exercise Period shall be the period commencing on the date the Structured Warrants are listed and ending at 9.00 a.m. on the Expiry Date.
- (b) *Expiry Date.* Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any outstanding unexercised Structured Warrants shall be automatically exercised and cease to be valid and the Issuer’s obligations in respect of the Structured Warrants shall terminate absolutely.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Exercise Notice.* Any determination as to whether the Exercise Notice is duly completed and in proper form shall be made by the Warrant Registrar and shall be conclusive and binding on the Warranholder. Any Exercise Notice so determined to be incomplete or not in proper form shall be deemed null and void. The Warrant Registrar shall notify the Warranholder submitting an Exercise Notice if it has been determined that such Exercise Notice is incomplete or not in proper form by ordinary post to the Warranholder’s address recorded in the Record of Depositors or the Exercise Notice, at the risk of the Warranholder.
- (c) *Exercise Date.* The Market Day on which the duly completed Exercise Notice is delivered to the Warrant Registrar and in respect of which there is a valid exercise of Structured Warrants, provided that any Exercise Notice is received by the Warrant

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Registrar after 12.30 p.m. on any Market Day shall be deemed to have been delivered on the next following Market Day.

If in the Issuer's absolute discretion, there is a Market Disruption Event on the Exercise Date, the Exercise Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Exercise Date, then Exercise Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Exercise Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

If the Structured Warrants are not earlier exercised, the Expiry Date of the Structured Warrants shall be deemed to be the Exercise Date in accordance with Condition 4(e) – *Automatic Exercise*.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

- (d) *Mode of Exercise*. The Structured Warrants may be exercised by valid delivery to the Warrant Registrar of an Exercise Notice within its business hours (from 9 a.m. to 5 p.m.) during the Exercise Period. The Warrant Registrar shall acknowledge receipt by stamping the date and time of receipt on the Exercise Notice. Delivery of the Exercise Notice shall constitute an irrevocable election and undertaking by the Warranholder specified in the Exercise Notice to exercise the number of Structured Warrants specified in the Exercise Notice and an irrevocable authority to the Issuer and the Warrant Registrar to deduct the aggregate Exercise Expenses, if any, from the aggregate Cash Settlement Amount.

Provided always that:

- (i) in every case compliance must also be made with the requirements set out in the Exercise Notice and other prevailing statutory requirements for the time being applicable;
- (ii) the Warranholder shall, if so required by the Warrant Registrar, furnish such evidence, if any, as the Warrant Registrar or the Issuer's directors may require to determine the due execution of the Exercise Notice by or on behalf of the Warranholder exercising the same. Once a valid Exercise Notice is duly delivered by the Warranholder to the Warrant Registrar, the exercise of such exercise rights shall be irrevocable save with the consent of the Issuer's directors; and
- (iii) where the Warranholder does not comply with the procedures or restrictions or conditions relating to the exercise of Structured Warrants, the Exercise Notice and any documents received shall be returned to such Warranholder by ordinary post to the Warranholder's address recorded in the Record of Depositors at the risk of the Warranholder.

Subject to a valid exercise or Automatic Exercise of Structured Warrants in accordance with Condition 4(e) – *Automatic Exercise* below within three (3) Market Days from the Exercise Date and when there is no Settlement Disruption Event (as

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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defined below), the Issuer shall pay the Warrantholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Exercise Date or Expiry Date (as the case may be). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantholder, the cheque shall be delivered by ordinary post to the Warrantholder's address last recorded in the Record of Depositors at the Warrantholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (e) *Automatic Exercise.* The Warrantholders are not required to serve any notice of exercise. If the Cash Settlement Amount is a positive figure, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warrantholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (f) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in the relevant Underlying Shares being unable to settle payments or is unable to clear transfers of the relevant Underlying Shares; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (dd) where the relevant Underlying Shares are denominated in a Relevant Currency, the inability to convert proceeds from the settlement of any of the relevant Underlying Shares traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damages that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

**“Settlement Date”** means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

- (a) *Notification on Expiry.* The Issuer shall notify the Warrantholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months’ tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

- (a) Following the declaration by an Underlying Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such a Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying Shares and, if so, the Issuer will:
  - (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such a Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange determined by the Issuer on which the shares constituting the Underlying Shares are listed and quoted, unless otherwise specified by the Issuer.

**“Potential Adjustment Event”** include any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Shares (unless a Merger Event (as defined herein)) or a free distribution or dividend of such Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a call by the Underlying Company in respect of relevant Underlying Shares that are not fully paid;



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (iii) a repurchase or buy-back by the Underlying Company of relevant Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
  - (iv) a rights issue or bonus issue of the Underlying Shares;
  - (v) a capital repayment in cash whether in the form of special dividend or otherwise pursuant to the Act; or
  - (vi) any other event which may have, in the Issuer's opinion a dilutive or concentrative or other effect on the theoretical value of the relevant Underlying Shares.
- (b) The respective formula for the relevant Potential Adjustment Event are as follows:

(i) *Subdivisions or Consolidations.* If and whenever the Underlying Company shall subdivide its Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a greater number of shares ("**Subdivision**") or consolidate the Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a smaller number of shares ("**Consolidation**"), the Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \quad x \quad \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (ii) *Rights Issue.* If and whenever the Underlying Company shall, by way of Rights (as defined below), offer new shares for subscription at a fixed subscription price to the holders of existing Underlying Shares pro rata to existing holdings (“**Rights Issue**”), the Exercise Ratio and / or the Exercise Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Exercise Ratio immediately prior to the Rights Issue.

X: Existing Exercise Price immediately prior to the Rights Issue.

S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which Underlying Shares are traded on a cum-rights basis.

R: Subscription price per Underlying Share as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.

M: Number of new Underlying Shares (whether a whole or a fraction) per existing Underlying Share each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing Underlying Share or needed to acquire one new Underlying Share (as the case may be) which are

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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given to the holders of existing Underlying Shares to subscribe at a fixed subscription price for new Underlying Shares pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (iii) *Bonus Issue.* If and whenever the Underlying Company shall make a new issue of shares credited as fully paid to the holders of the relevant Underlying Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Ratio and/ or Exercise Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

(i) **Adjusted Exercise Ratio** = 
$$\frac{E}{\text{Adjustment Factor}}$$

(ii) **Adjusted Exercise Price** = 
$$\frac{X}{\text{Adjustment Factor}}$$

Where:

**Adjustment Factor** =  $1 + N$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional Underlying Shares (whether a whole or a fraction) received by a holder of existing Underlying Shares for each Underlying Share held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Capital Repayment.* If the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise (pursuant to the Act or such other corresponding provision in the Relevant Country in which the Underlying Shares are listed and quoted) during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Shares to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

(ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the Underlying Shares on the last Market Day on which the Underlying Shares are traded on a cum-entitlement basis

D: The capital repayment/special dividend per one (1) Underlying Share held.

Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.

E: Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the capital repayment exercise.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the relevant Underlying Company results in a significant change in the business of such Underlying Company or such other circumstances as the Issuer may determine, the Issuer reserves the right, at its sole and absolute discretion and without obligation whatsoever, to terminate the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Structured Warrant held by such Warrantholder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Warrantholder having to deliver a valid exercise form). The Cash Settlement Amount shall be determined based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses, as determined by the Issuer at its absolute discretion.

- (c) *Extraordinary Events.* If a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency (as defined below) or such other additional disruption event occurs in relation to the relevant Underlying Shares, the Issuer may take any action described below:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event made by the Securities Exchange;
- (ii) cancel the Structured Warrants by giving notice to the Warrantheolders in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warrantheolders which amount shall be the fair market value of the Structured Warrants (as determined by the Issuer) taking into account the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 9 – *Notices*; or
- (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warrantheolders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantheolders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“De-Listing”** means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event or Take-Over Offer) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company:

- (1) all the Underlying Shares of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying Shares of that Underlying Company become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**“Merger Event”** means, in respect of any relevant Underlying Shares, any:

- (1) reclassification or change of such Underlying Shares that results in a transfer or an irrevocable commitment to transfer all of such Underlying Shares outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of an Underlying Company with or into another entity or person by way of scheme of arrangement or otherwise (other than a consolidation, amalgamation, merger or binding share exchange by way of scheme of arrangement or otherwise in which such Underlying Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Shares outstanding); or
- (3) Take-Over Offer (as defined below), exchange offer, solicitation, proposal or other event by any entity or person by way of scheme of arrangement or otherwise to purchase or otherwise obtain one hundred percent (100%) of the outstanding Underlying Shares of the Underlying Company that results in a transfer or an irrevocable commitment to transfer all such Underlying Shares (other than such Underlying Shares owned or controlled by such other entity or person); or
- (4) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity by way of scheme of arrangement or otherwise in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding, results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than fifty percent (50%) of the outstanding Underlying Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the final Valuation Date.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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“**Nationalisation**” means that all the Underlying Shares or all or substantially all of the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Take-Over Offer**” means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of the outstanding voting shares of the Underlying Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (d) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdictions).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.

**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back the Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity as a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warrantheolders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warrantheolders, unless otherwise permitted by applicable laws and requirements.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of laws or rules or regulations; or



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (iv) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all of the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warranholders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warranholders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warranholder; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantholder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely.
- (ii) the closing price of the Underlying Shares on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond its control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Shares for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantholders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Structured Warrant held by such Warrantholder equal to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warrantholder and such Warrantholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(ii) American style non-collateralised cash settled call/put warrants over a basket of equities**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued by the Issuer in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warrantheolders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants will constitute general and unsecured contractual obligations of the Issuer and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantheolders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantheolders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantheolders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantheolders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantheolders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined below) of Structured Warrants entitles the Warrantheolder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency and calculated as follows less Exercise Expenses (as defined below):

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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For the avoidance of doubt, the Warrantholder shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

In the case of call warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Basket Closing Price} - \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of put warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Basket Closing Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Basket Closing Price and the Exercise Price (as defined below) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer, at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to the Warrantholders.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) basket of Underlying Shares relate, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheets.

“**Exercise Amount**” means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

Before the Expiry Date, the “**Basket Closing Price**” shall be determined as follows:

- (i) on a receipt of a valid Exercise Notice before 12.30 p.m. of the Exercise Date being a Market Day which is prior to and including the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Basket Closing Price will be based on the closing market prices of the Underlying Shares comprising the basket on the Exercise Date, adjusted for the relevant weighting of the Underlying Shares; or
- (ii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which is prior to the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Basket Closing Price will be based

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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on the closing market price of the Underlying Shares comprising the basket immediately following the Exercise Date; or

- (iii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which falls on the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date or at any time during the five (5) Market Days immediately before the Expiry Date, the Basket Closing Price will be based on the Expiry Date Basket Closing Price (as defined below).

On the Expiry Date, the Basket Closing Price ("**Expiry Date Basket Closing Price**") will be adjusted for relevant weighting of the Underlying Shares based on any one of the following:

- (i) the average daily VWAP (as defined below) of the Underlying Shares comprising the basket (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date ("**Valuation Period**"); or
- (ii) the average closing prices of the Underlying Shares comprising the basket (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (iii) the closing prices of the Underlying Shares comprising the basket on the Market Day immediately before the Expiry Date,

as specified by the relevant Term Sheet.

"**VWAP**" means volume weighted average price.

For the Underlying Shares comprising the basket which are quoted on Securities Exchange outside Malaysia, the Basket Closing Price and the Exercise Price may be quoted in currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Exercise Date (i.e. the Market Day on which the Basket Closing Price for Structured Warrants exercised on or prior to the Expiry Date is based) or any Market Day during the Valuation Period shall be referred to as "**Valuation Date**".

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as it may consider relevant.

## ANNEXURE I PRINCIPAL TERMS OF DEED POLL (*Cont'd*)

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For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing prices of the relevant Underlying Shares comprising the basket for such postponed Valuation Date will be the closing market prices of the relevant Underlying Shares comprising the basket on the first succeeding Market Day.

**“Exercise Price”** means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

**“Market Disruption Event”** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying Shares comprising the basket or the Structured Warrants, which includes but is not limited to the following events:

- (i) **“Trading Disruption”**, means
    - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the relevant Underlying Shares or the Structured Warrants; or
    - (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
  - (ii) **“Exchange Disruption”**, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
  - (iii) **“Early Closure”**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
  - (c) *No rights.* The purchase of Structured Warrants does not entitle the Warrantholders to the delivery of any of the relevant Underlying Shares comprising the basket, is not secured by any of the relevant Underlying Shares comprising the basket and does not confer on the Warrantholders any right (whether in respect of voting, dividend or other distributions in respect of the relevant Underlying Shares comprising the basket or otherwise) which a holder of the relevant Underlying Shares comprising the basket may have.

### 3. Exercise Period and Expiry Date

- (a) *Exercise Period.* The Exercise Period shall be the period commencing on the date the Structured Warrants are listed and ending at 9.00 a.m. on the Expiry Date.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (b) *Expiry Date.* Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any outstanding unexercised Structured Warrants shall be automatically exercised and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Exercise Notice.* Any determination as to whether the Exercise Notice is duly completed and in proper form shall be made by the Warrant Registrar and shall be conclusive and binding on the Warrantholder. Any Exercise Notice so determined to be incomplete or not in proper form shall be deemed null and void. The Warrant Registrar shall notify the Warrantholder submitting an Exercise Notice if it has been determined that such Exercise Notice is incomplete or not in proper form by ordinary post to the Warrantholder's address recorded in the Record of Depositors or the Exercise Notice, at the risk of the Warrantholder.
- (c) *Exercise Date.* The Market Day on which the duly completed Exercise Notice is delivered to the Warrant Registrar and in respect of which there is a valid exercise of Structured Warrants, provided that any Exercise Notice is received by the Warrant Registrar after 12.30 p.m. on any Market Day shall be deemed to have been delivered on the next following Market Day.

If in the Issuer's absolute discretion, there is a Market Disruption Event occurring on one or more of the Underlying Companies comprising the basket on the Exercise Date, the Exercise Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Exercise Date, then Exercise Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Exercise Date by determining the price of the relevant Underlying Shares comprising the basket and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

If the Structured Warrants are not earlier exercised, the Expiry Date of the Structured Warrants shall be deemed to be the Exercise Date in accordance with Condition 4(e) - *Automatic Exercise*.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

- (d) *Mode of Exercise.* The Structured Warrants may be exercised by valid delivery to the Warrant Registrar of an Exercise Notice within its business hours (from 9 a.m. to 5 p.m.) during the Exercise Period. The Warrant Registrar shall acknowledge receipt by stamping the date and time of receipt on the Exercise Notice. Delivery of the Exercise Notice shall constitute an irrevocable election and undertaking by the Warrantholder specified in the Exercise Notice to exercise the number of Structured



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Warrants specified in the Exercise Notice and an irrevocable authority to the Issuer and the Warrant Registrar to deduct the aggregate Exercise Expenses, if any, from the aggregate Cash Settlement Amount.

Provided always that:

- (i) in every case compliance must also be made with the requirements set out in the Exercise Notice and other prevailing statutory requirements for the time being applicable;
- (ii) the Warrantholder shall, if so required by the Warrant Registrar, furnish such evidence, if any, as the Warrant Registrar or the Issuer's directors may require to determine the due execution of the Exercise Notice by or on behalf of the Warrantholder exercising the same. Once a valid Exercise Notice is duly delivered by the Warrantholder to the Warrant Registrar, the exercise of such exercise rights shall be irrevocable save with the consent of the Issuer's directors; and
- (iii) where the Warrantholder does not comply with the procedures or restrictions or conditions relating to the exercise of Structured Warrants, the Exercise Notice and any documents received shall be returned to such Warrantholder by ordinary post to the Warrantholder's address recorded in the Record of Depositors at the risk of the Warrantholder.

Subject to a valid exercise or Automatic Exercise of Structured Warrants in accordance with Condition 4(e) – *Automatic Exercise* below within three (3) Market Days from the Exercise Date and when there is no Settlement Disruption Event (as defined below), the Issuer shall pay the Warrantholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Exercise Date or Expiry Date (as the case may be). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantholder, the cheque shall be delivered by ordinary post to the Warrantholder's address last recorded in the Record of Depositors at the Warrantholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (e) *Automatic Exercise.* The Warrantholders are not required to serve any notice of exercise. If the Cash Settlement Amount is a positive figure, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warrantholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (f) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

"**Settlement Disruption Event**" refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in any of the Underlying Shares comprising the basket being unable to settle payments or is unable to clear transfers of the relevant Underlying Shares; or
  - (dd) where the relevant Underlying Shares are denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the relevant Underlying Shares traded into the Settlement currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warranholder for any interest in respect of the amount due or any loss or damages that such Warranholder may suffer as a result of the existence of a Settlement Disruption Event.

"**Settlement Date**" means a Market Day and a day upon which payment is made to the Warranholder, on which commercial banks in Malaysia are open for business during the normal business hours.

- (g) *Notification on Expiry.* The Issuer shall notify the Warranholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**5. Adjustments**

(a) Following the declaration by one or more of the Underlying Companies of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such a Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the relevant Underlying Shares and, if so, the Issuer will:

- (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
- (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such a Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange as determined by the Issuer on which the shares constituting the relevant Underlying Shares comprising the basket are listed and quoted, unless otherwise specified by the Issuer.

“**Potential Adjustment Event**” include any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the relevant Underlying Shares (unless a Merger Event (as defined herein)) or a free distribution or dividend of such relevant Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a call by one or more of the relevant Underlying Companies in respect of relevant Underlying Shares that are not fully paid;
- (iii) a repurchase or buy-back by one or more of the Underlying Companies of relevant Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (iv) a rights issue or bonus issue of one or more of the relevant Underlying Shares;
- (v) a capital repayment in cash whether in the form of special dividend or otherwise pursuant to the Act by one or more of the Underlying Companies of the relevant Underlying Shares; or
- (vi) any other event which may have, in the Issuer’s opinion a dilutive or concentrative or other effect on the theoretical value of one or more of the relevant Underlying Shares.

(b) The respective formula for the relevant Potential Adjustment Event are as follows:

- (i) *Subdivisions or Consolidations.* If and whenever any one or more of the Underlying Companies shall subdivide its shares or any class of its outstanding share capital comprised of the relevant Underlying Shares into a greater number of shares (“**Subdivision**”) or consolidate the relevant Underlying Shares or any class of its outstanding share capital comprised of the relevant Underlying Shares into a smaller number of shares (“**Consolidation**”), Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(i) **Adjusted Exercise Ratio =**

$$E \times \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \times \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(ii) *Rights Issue.* If and whenever one or more of the Underlying Companies shall, by way of Rights (as defined below), offer new shares for subscription at a fixed subscription price to the holders of existing relevant Underlying Shares pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio and/or the Exercise Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- E: Existing Exercise Ratio immediately prior to the Rights Issue.
- X: Existing Exercise Price immediately prior to the Rights Issue.
- S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which the relevant Underlying Shares are traded on a cum-rights basis.
- R: Subscription price per the relevant Underlying Shares as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.
- M: Number of new relevant Underlying Shares (whether a whole or a fraction) per existing relevant Underlying Share each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing relevant Underlying Shares or needed to acquire one new relevant Underlying Share (as the case may be) which are given to the holders of existing relevant Underlying Shares to subscribe at a fixed subscription price for new relevant Underlying Shares pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (iii) *Bonus Issue.* If and whenever one or more of the Underlying Companies shall make a new issue of shares credited as fully paid to the holders of the relevant Underlying Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by such relevant Underlying Companies or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (“**Bonus Issue**”), the Exercise Ratio and/or Exercise Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

$$\begin{aligned}
 \text{(i) Adjusted Exercise Ratio} &= \frac{E}{\text{Adjustment Factor}} \\
 \text{(ii) Adjusted Exercise Price} &= \frac{X}{\text{Adjustment Factor}}
 \end{aligned}$$

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional relevant Underlying Shares (whether a whole or a fraction) received by a holder of existing relevant Underlying Shares for each relevant Underlying Share held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Capital Repayment.* If one or more of the Underlying Companies of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise (pursuant to the Act or such other corresponding provision in the Relevant Country in which the relevant Underlying Shares are listed and quoted) during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the relevant Underlying Shares to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

- (ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the relevant Underlying Shares on the last Market Day on which the relevant Underlying Shares are traded on a cum-entitlement basis

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- D: The capital repayment/special dividend per one (1) Underlying Share held.
- Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.
- E: Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the capital repayment exercise.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the one or more of the Underlying Companies results in a significant change in the business of such Underlying Companies or such other circumstances as the Issuer may determine, the Issuer reserves the right, at its sole and absolute discretion and without obligation whatsoever, to terminate the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Structured Warrant held by such Warrantholder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Warrantholder having to deliver a valid exercise form). The Cash Settlement Amount shall be determined based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses, as determined by the Issuer at its absolute discretion.

- (c) *Extraordinary Events.* If a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency (as defined below) or such other additional disruption event occurs in relation to one or more of the Underlying Companies of the relevant Underlying Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event made by the Securities Exchange;
  - (ii) cancel the Structured Warrants by giving notice to the Warrantholders in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warrantholder which amount shall be the fair market value of the Structured Warrants (as determined by the Issuer) taking into account the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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its related corporations of unwinding any of the relevant Underlying Shares related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 9 – *Notices*; or

- (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warrantheolders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantheolders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**De-Listing**” means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such relevant Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event or Take-Over Offer) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting any one or more of the Underlying Companies:

- (1) all the relevant Underlying Shares of that relevant Underlying Companies are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the relevant Underlying Shares of that relevant Underlying Companies become legally prohibited from transferring them.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Merger Date”** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**“Merger Event”** means, in respect of any relevant Underlying Shares, any:

- (1) reclassification or change of any one or more of the relevant Underlying Shares that results in a transfer or an irrevocable commitment to transfer all of such relevant Underlying Shares outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of any one or more of the Underlying Companies with or into another entity or person by way of scheme of arrangement or otherwise (other than a consolidation, amalgamation, merger or binding share exchange by way of scheme of arrangement or otherwise in which such Underlying Companies is the continuing entity and which does not result in reclassification or change of all of such relevant Underlying Shares outstanding); or
- (3) Take-Over Offer (as defined below), exchange offer, solicitation, proposal or other event by any entity or person by way of scheme of arrangement or otherwise to purchase or otherwise obtain one hundred percent (100%) of the outstanding relevant Underlying Shares of any one or more of the relevant Underlying Companies that results in a transfer or an irrevocable commitment to transfer all such relevant Underlying Shares (other than such relevant Underlying Shares owned or controlled by such other entity or person); or
- (4) consolidation, amalgamation, merger or binding share exchange of any one or more of the Underlying Companies or its subsidiaries with or into another entity by way of scheme of arrangement or otherwise in which the relevant Underlying Companies are the continuing entity and which does not result in a reclassification or change of all such relevant Underlying Shares outstanding, results in the outstanding Underlying Shares (other than the relevant Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than fifty percent (50%) of the outstanding relevant Underlying Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the final Valuation Date.

**“Nationalisation”** means that in respect of any one or more of the Underlying Companies, all the relevant Underlying Shares, or all or substantially all of the assets of the relevant Underlying Companies are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Take-Over Offer”** means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of the outstanding voting shares of any one or more of the Underlying Companies, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deem relevant.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (d) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.

**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back the Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warrantheolders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warrantheolders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warrantheolders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warrantheolders.

Any resolutions to be passed in a meeting of the Warrantheolders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of laws or rules or regulations; or
  - (iv) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**9. Notices**

All notices to the Warrantheolders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warrantheolders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warrantheolders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warrantheolders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantheolders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantheolders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantheolder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantheolder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
  - (ii) the closing prices of Underlying Shares comprising the basket on the Market Day immediately before the above events shall form the Basket Closing Price for the calculation of the Cash Settlement Amount.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Shares comprising the basket for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warranholders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranholder in respect of each Structured Warrant held by such Warranholder equal to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Shares comprising the basket related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(iii) American style non-collateralised cash settled call/put warrants over a single index**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warrantheolders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantheolders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantheolders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantheolders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantheolders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantheolders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warrantheolder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment from the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency and calculated as follows less Exercise Expenses (as defined below):

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of Call Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Level} - \text{Exercise Level}) \times \text{Index Currency Amount} \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of Put Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Level} - \text{Closing Level}) \times \text{Index Currency Amount} \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Closing Level and the Exercise Level (as defined below) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer, at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantholders.

“**Index Currency Amount**” means the amount of unit currency relating to one (1) integral point of the Underlying Index, as specified in the relevant Term Sheet.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) Underlying Index relates, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Exercise Amount**” means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

Before the Expiry Date, the “**Closing Level**” shall be determined as follows:

- (i) on a receipt of a valid Exercise Notice before 12.30 p.m. of the Exercise Date being a Market Day which is prior to and including the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Closing Level will be based on the closing market level of the Underlying Index on the Exercise Date; or
- (ii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which is prior to the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Closing Level will be based on the closing market level of the Underlying Index immediately following the Exercise Date; or



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (iii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which falls on the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date or at any time during the five (5) Market Days immediately before the Expiry Date, the Closing Level will be based on the Expiry Date Closing Level (as defined below).

On the Expiry Date, the Closing Level ("**Expiry Date Closing Level**") will be based on any one of the following:

- (i) the closing level of the Underlying Index on the Market Day immediately before the Expiry Date; or
- (ii) the final settlement price for settling the corresponding spot month index futures contracts on the Expiry Date; or
- (iii) the average closing levels of the Underlying Index for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date ("**Valuation Period**").

and as specified by the relevant Term Sheet and subject to the Market Disruption Event (as defined below).

If on the relevant date the Underlying Index Sponsor has not published the Underlying Index for the purpose of calculating the Closing Level, the Closing Level will be the closing market level on the Market Day immediately before the relevant date (subject to the Market Disruption Event as defined below).

Regarding sub-Condition (ii) of Expiry Date Closing Level above, if in the Issuer's absolute discretion, the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date is otherwise unavailable on that date, the Expiry Date will be postponed until such final settlement price for settling the corresponding spot-month index futures contracts is published.

For the Underlying Index which is quoted on a Securities Exchange outside Malaysia, the Closing Level and the Exercise Level may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Exercise Date (i.e. the Market Day on which the Closing Level for Structured Warrants exercised on or prior to the Expiry Date is based) or any Market Day during the Valuation Period shall be referred to as "**Valuation Date**".

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8th) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8th) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the Closing Level of the Underlying Index for such postponed Valuation Date will be the closing market level of the Underlying Index on the first succeeding Market Day.

**“Exercise Level”** means in relation to a particular series of Structured Warrants, the Exercise Level is the pre-specified level as determined by the Issuer at which a Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

**“Market Disruption Event”** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of a material number of shares comprising the Underlying Index or any material constituent security of the Underlying Index or the Structured Warrants, which includes but is not limited to the following events:

- (i) the occurrence or existence on any Market Day at the time by reference to which the Issuer determines the level of the relevant Underlying Index or the prices of the shares constituting the Underlying Index (**“Relevant Time”**) for such Underlying Index or such shares constituting the Underlying Index or at any time during the one hour period that ends at the Relevant Time for such Underlying Index or such shares constituting the Underlying Index:
  - (aa) of any suspension of a limitation imposed on trading such as:
    - (aaa) the suspension or material limitation on the trading of a material number of the shares constituting the Underlying Index;
    - (bbb) the suspension or material limitation on the trading of the shares constituting the Underlying Index on the relevant Securities Exchange;
    - (ccc) the suspension or material limitation on relevant Securities Exchange on the trading of options contracts or futures contracts relating to the Underlying Index or shares relating to the Underlying Index on which such contracts are traded;
    - (ddd) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount; or
  - (bb) of any event that disrupts or impairs (as determined by the Issuer) the ability of market participants in general to effect transactions in relation to or to obtain market levels for the Underlying Index or market prices such shares constituting the Underlying Index on the relevant Securities Exchange or to effect transactions in or obtain market quotes for options contracts or futures contracts on or relating to the relevant Underlying Index or such shares constituting the Underlying Index on the relevant Securities Exchange;

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (ii) the closure on any Market Day of the relevant Securities Exchange prior to the scheduled closing time unless such earlier closing time is announced by such Securities Exchange or such related Securities Exchange, as the case may be, at least one half hour prior to:
  - (aa) the actual closing time for the regular trading session on such Securities Exchange or such related Securities Exchange on such Market Day; or
  - (bb) the submission deadline (if applicable) for orders to be entered into the Securities Exchange or such related Securities Exchange system for execution on such Market Day,whichever is earlier.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No recourse against Underlying Index Sponsor.* Warrantheholders shall have no claim against the Underlying Index Sponsor (including its agent(s) and delegate(s), as the case may be) for any mistake, error or omission in the calculation or compilation of the Underlying Index. The Issuer shall not be liable to the Warrantheholders for any losses, costs, expenses or charges incurred due to the mistake, error or omission by the Underlying Index Sponsor (including its agent(s) and delegate(s), as the case may be) in the calculation or compilation of the Underlying Index.

**3. Exercise Period and Expiry Date**

- (a) *Exercise Period.* The Exercise Period shall be the period commencing on the date the Structured Warrants are listed and ending at 9.00 a.m. on the Expiry Date.
- (b) *Expiry Date.* Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any outstanding unexercised Structured Warrants shall be automatically exercised and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Exercise Notice.* Any determination as to whether the Exercise Notice is duly completed and in proper form shall be made by the Warrant Registrar and shall be conclusive and binding on the Warrantholder. Any Exercise Notice so determined to be incomplete or not in proper form shall be deemed null and void. The Warrant Registrar shall notify the Warrantholder submitting an Exercise Notice if it has been determined that such Exercise Notice is incomplete or not in proper form by ordinary post to the Warrantholder's address recorded in the Record of Depositors or the Exercise Notice, at the risk of the Warrantholder.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (c) *Exercise Date.* The Market Day on which the duly completed Exercise Notice is delivered to the Warrant Registrar and in respect of which there is a valid exercise of Structured Warrants, provided that any Exercise Notice is received by the Warrant Registrar after 12.30 p.m. on any Market Day shall be deemed to have been delivered on the next following Market Day.

If in the Issuer's absolute discretion, there is a Market Disruption Event on the Exercise Date, the Exercise Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Exercise Date, then Exercise Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference level and/or the exchange rate (if applicable) for the Exercise Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

If the Structured Warrants are not earlier exercised, the Expiry Date of the Structured Warrants shall be deemed to be the Exercise Date in accordance with Condition 4(e) – *Automatic Exercise*.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

- (d) *Mode of Exercise.* The Structured Warrants may be exercised by valid delivery to the Warrant Registrar of an Exercise Notice within its business hours (from 9 a.m. to 5 p.m.) during the Exercise Period. The Warrant Registrar shall acknowledge receipt by stamping the date and time of receipt on the Exercise Notice. Delivery of the Exercise Notice shall constitute an irrevocable election and undertaking by the Warrantholder specified in the Exercise Notice to exercise the number of Structured Warrants specified in the Exercise Notice and an irrevocable authority to the Issuer and the Warrant Registrar to deduct the aggregate Exercise Expenses, if any, from the aggregate Cash Settlement Amount.

Provided always that:

- (i) in every case compliance must also be made with the requirements set out in the Exercise Notice and other prevailing statutory requirements for the time being applicable;
- (ii) the Warrantholder shall, if so required by the Warrant Registrar, furnish such evidence, if any, as the Warrant Registrar or the Issuer's directors may require to determine the due execution of the Exercise Notice by or on behalf of the Warrantholder exercising the same. Once a valid Exercise Notice is duly delivered by the Warrantholder to the Warrant Registrar, the exercise of such exercise rights shall be irrevocable save with the consent of the Issuer's directors; and
- (iii) where the Warrantholder does not comply with the procedures or restrictions or conditions relating to the exercise of Structured Warrants, the Exercise Notice and any documents received shall be returned to such Warrantholder by ordinary post to the Warrantholder's address recorded in the Record of Depositors at the risk of the Warrantholder.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Subject to a valid exercise or Automatic Exercise of Structured Warrants in accordance with Condition 4(e) – *Automatic Exercise* below within three (3) Market Days from the Exercise Date and when there is no Settlement Disruption Event (as defined below), the Issuer shall pay the Warrantholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Exercise Date or Expiry Date (as the case may be). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantholder, the cheque shall be delivered by ordinary post to the Warrantholder's address last recorded in the Record of Depositors at the Warrantholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (e) *Automatic Exercise.* The Warrantholders are not required to serve any notice of exercise. Exercise of the Structured Warrants shall be determined by the Closing Level of the Underlying Index. If the Closing Level of the Underlying Index is greater than (in the case of a series of call Structured Warrants) or less than (in the case of series of put Structured Warrants) the Exercise Level, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date. In the event the Closing Level of the Underlying Index is less than or equal to (in the case of a series of call Structured Warrants) or greater than or equal to (in the case of series of put Structured Warrants) the Exercise Level, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warrantholders and the Issuer's obligations with respect to such Structured Warrants shall cease and the Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (f) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
- (cc) the principal clearing and settlement system of dealing in the Underlying Index being unable to settle payments or is unable to clear transfers of the Underlying Index; or
- (dd) where the Underlying Index is denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying Index traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantheader for any interest in respect of the amount due or any loss or damages that such Warrantheader may suffer as a result of the existence of a Settlement Disruption Event.

“**Settlement Date**” means a Market Day and a day upon which payment is made to the Warrantheader, on which commercial banks in Malaysia are open for business during the normal business hours.

- (g) *Notification on Expiry.* The Issuer shall notify the Warrantheaders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months’ tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

Subject to the Conditions, the Underlying Index of the relevant Structured Warrants shall from time to time be adjusted in accordance with the following provisions:

- (a) *Successor for the Underlying Index sponsor calculates and reports Underlying Index.*

If the Underlying Index is:

- (i) not calculated and announced by the Underlying Index Sponsor but is calculated and published by a successor to the Underlying Index Sponsor (“**Successor Underlying Index Sponsor**”) acceptable to the Issuer; or
- (ii) replaced by a successor index using, in the Issuer’s determination, the same or substantially similar formula for and method of calculation as used in the calculation of the Underlying Index,

then the Underlying Index will be deemed to be the index so calculated and announced by the Successor Underlying Index Sponsor or that successor index, as the case may be.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (b) *Modification and cessation of calculation of Underlying Index. If:*
- (i) on or prior to the Valuation Date the Underlying Index Sponsor or if applicable, the Successor Underlying Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating the Underlying Index or in any other way materially modifies the Underlying Index (other than modifications prescribed in that formula or method to maintain the Underlying Index in the event of changes in the constituent stocks, contracts or commodities and other routine events); or
  - (ii) on a Valuation Date the Underlying Index Sponsor or if applicable, the Successor Underlying Index Sponsor fails to calculate and publish the Underlying Index (other than as a result of a Market Disruption Event) ("**Index Disruption**"),

then the Issuer may determine the Closing Level using, in lieu of a published level for the Underlying Index, the level for the Underlying Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Underlying Index last in effect prior to that change or failure, but using only those shares/commodities that comprised the Underlying Index immediately prior to that change, modification, cancellation or failure (other than those shares that have since ceased to be listed on the relevant Securities Exchange). Alternatively, the Issuer may determine the Closing Level using the closing level of the corresponding spot-month index futures contract, if available.

- (c) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdictions).
- (d) On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.
- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warranholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warranholders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Level which a Warranholder is entitled to or the formula for the adjustment of the Exercise Level or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.

- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of laws or rules or regulations; or
  - (i) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time. A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:

- (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantheolders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantheolders:
  - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantheolder; or
  - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantheolder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
- (ii) the closing level of the Underlying Index on the Market Day immediately before the above events shall form the Closing Level for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Index for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantheolders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Structured Warrant held by such Warrantheolder equal to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Index related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warranholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(iv) American style non-collateralised cash settled call/put warrants over an ETF**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued by the Issuer in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warrantheolders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantheolders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantheolders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantheolders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantheolders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantheolders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined below) of Structured Warrants entitles the Warrantheolder, upon due exercise and on compliance with Condition 4 – Exercise below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – Exercise below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency, calculated as follows less Exercise Expenses (as defined below):

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of Call Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Price} - \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of Put Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Closing Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Closing Price and the Exercise Price (as defined herein) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer, at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantholders.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) Underlying ETF relates, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Exercise Amount**” means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

Before the Expiry Date, the “**Closing Price**” shall be determined as follows:

- (i) on a receipt of a valid Exercise Notice before 12.30 p.m. of the Exercise Date being a Market Day which is prior to and including the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Closing Price will be based on the closing market price of the Underlying ETF on the Exercise Date; or
- (ii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which is prior to the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date, the Closing Price will be based on the closing market price of the Underlying ETF immediately following the Exercise Date; or
- (iii) on a receipt of a valid Exercise Notice on or after 12.30 p.m. of the Exercise Date being a Market Day which falls on the sixth (6<sup>th</sup>) Market Day immediately before the Expiry Date or at any time during the five (5) Market Days immediately before the Expiry Date, the Closing Price will be based on the Expiry Date Closing Price (as defined below).

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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On the Expiry Date, the Closing Price (“**Expiry Date Closing Price**”) will be based on any one of the following:

- (i) the average daily VWAP (as defined below) of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including Market Day immediately before the Expiry Date (“**Valuation Period**”); or
- (ii) the average closing price of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (iii) the closing price of the Underlying ETF on the Market Day immediately before the Expiry Date,

as specified by the relevant Term Sheet.

“**VWAP**” means volume weighted average price.

For the Underlying ETF which is quoted on a Securities Exchange outside Malaysia, the Closing Price and the Exercise Price may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Exercise Date (i.e. the Market Day on which the Closing Price for Structured Warrants exercised on or prior to the Expiry Date is based) or any Market Day during the Valuation Period shall be referred to as “**Valuation Date**”.

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8th) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer’s good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the Closing Price of the Underlying ETF for such postponed Valuation Date will be the closing market price of the Underlying ETF on the first succeeding Market Day

“**Exercise Price**” means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Market Disruption Event”** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying ETF or the Structured Warrants, which includes but is not limited to the following events:

- (i) **“Trading Disruption”**, means
    - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the Underlying ETF or the Structured Warrants; or
    - (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
  - (ii) **“Exchange Disruption”**, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
  - (iii) **“Early Closure”**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warrantholders to the delivery of any Underlying ETF, is not secured by the Underlying ETF and does not confer on the Warrantholders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying ETF or otherwise) which a holder of the Underlying ETF may have.

**3. Exercise Period and Expiry Date**

- (a) *Exercise Period.* The Exercise Period shall be the period commencing on the date the Structured Warrants are listed and ending at 9.00 a.m. on the Expiry Date.
- (b) *Expiry Date.* Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any outstanding unexercised Structured Warrants shall be automatically exercised and cease to be valid and the Issuer’s obligations in respect of the Structured Warrants shall terminate absolutely.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (b) *Exercise Notice.* Any determination as to whether the Exercise Notice is duly completed and in proper form shall be made by the Warrant Registrar and shall be conclusive and binding on the Warrantholder. Any Exercise Notice so determined to be incomplete or not in proper form shall be deemed null and void. The Warrant Registrar shall notify the Warrantholder submitting an Exercise Notice if it has been determined that such Exercise Notice is incomplete or not in proper form by ordinary post to the Warrantholder's address recorded in the Record of Depositors or the Exercise Notice, at the risk of the Warrantholder.
- (c) *Exercise Date.* The Market Day on which the duly completed Exercise Notice is delivered to the Warrant Registrar and in respect of which there is a valid exercise of Structured Warrants, provided that any Exercise Notice is received by the Warrant Registrar after 12.30 p.m. on any Market Day shall be deemed to have been delivered on the next following Market Day.

If in the Issuer's absolute discretion, there is a Market Disruption Event on the Exercise Date, the Exercise Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Exercise Date, then Exercise Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Exercise Date by determining the price of the Underlying ETF and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

If the Structured Warrants are not earlier exercised, the Expiry Date of the Structured Warrants shall be deemed to be the Exercise Date in accordance with Condition 4(e) – *Automatic Exercise*.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

- (d) *Mode of Exercise.* The Structured Warrants may be exercised by valid delivery to the Warrant Registrar of an Exercise Notice within its business hours (from 9 a.m. to 5 p.m.) during the Exercise Period. The Warrant Registrar shall acknowledge receipt by stamping the date and time of receipt on the Exercise Notice. Delivery of the Exercise Notice shall constitute an irrevocable election and undertaking by the Warrantholder specified in the Exercise Notice to exercise the number of Structured Warrants specified in the Exercise Notice and an irrevocable authority to the Issuer and the Warrant Registrar to deduct the aggregate Exercise Expenses, if any, from the aggregate Cash Settlement Amount.

Provided always that:

- (i) in every case compliance must also be made with the requirements set out in the Exercise Notice and other prevailing statutory requirements for the time being applicable;
- (ii) the Warrantholder shall, if so required by the Warrant Registrar, furnish such evidence, if any, as the Warrant Registrar or the Issuer's directors may require to determine the due execution of the Exercise Notice by or on behalf of the Warrantholder exercising the same. Once a valid Exercise Notice is



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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duly delivered by the Warranholder to the Warrant Registrar, the exercise of such exercise rights shall be irrevocable save with the consent of the Issuer's directors; and

- (iii) where the Warranholder does not comply with the procedures or restrictions or conditions relating to the exercise of Structured Warrants, the Exercise Notice and any documents received shall be returned to such Warranholder by ordinary post to the Warranholder's address recorded in the Record of Depositors at the risk of the Warranholder.

Subject to a valid exercise or Automatic Exercise of Structured Warrants in accordance with Condition 4(e) – *Automatic Exercise* below within three (3) Market Days from the Exercise Date and when there is no Settlement Disruption Event (as defined herein), the Issuer shall pay the Warranholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warranholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Exercise Date or Expiry Date (as the case may be). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warranholder, the cheque shall be delivered by ordinary post to the Warranholder's address last recorded in the Record of Depositors at the Warranholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warranholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (e) *Automatic Exercise.* The Warranholders are not required to serve any notice of exercise. If the Cash Settlement Amount is greater than zero, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warranholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (f) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
- (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
- (cc) the principal clearing and settlement system of dealing in the Underlying ETF being unable to settle payments or is unable to clear transfers of the Underlying ETF; or
- (dd) where the Underlying ETF is denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying ETF traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damages that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

“**Settlement Date**” means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

- (g) *Notification on Expiry.* The Issuer shall notify the Warrantholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months’ tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

- (a) Following the declaration by the manager or trustee of the Underlying ETF of the terms of any Potential Adjustment Event (as defined herein), the Issuer will determine whether such a Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying ETF and, if so, the Issuer will:
  - (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange on which the relevant Underlying ETF are also listed and quoted, unless otherwise specified by the Issuer.

“**Potential Adjustment Event**” include any of the following:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (i) a subdivision or consolidation of the Underlying ETF (unless a Merger Event (as defined below)) or a free distribution or dividend of such Underlying ETF to existing holders by way of bonus, capitalisation or similar issue;
  - (ii) a rights issue or bonus issue of the Underlying ETF; or
  - (iii) a special distribution payment in cash of the Underlying ETF;
  - (iv) any other event which may have, in the Issuer's opinion a dilutive or concentrative or other effect on the theoretical value of relevant Underlying ETF.
- (b) The respective formula for the relevant Potential Adjustment Event are as follows:

- (i) *Subdivisions or Consolidations.* If and whenever the Underlying ETF shall subdivide its units into a greater number of units ("**Subdivision**") or consolidate the units or any class of its outstanding units into a smaller number of units ("**Consolidation**"), Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

- (ii) **Adjusted Exercise Price =**

$$X \quad x \quad \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(ii) *Rights Issue.* If and whenever the Underlying ETF shall, by way of Rights (as defined below), offer new units for subscription at a fixed subscription price to the holders of existing Underlying ETF pro rata to existing holdings (“**Rights Issue**”), Exercise Ratio and/or the Exercise Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the Underlying ETF would qualify for the Rights Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Exercise Ratio immediately prior to the Rights Issue.

X: Existing Exercise Price immediately prior to the Rights Issue.

S: Cum-rights units determined by the closing price on the Securities Exchange on the last Market Day on which Underlying ETF is traded on a cum-rights basis.

R: Subscription price per Underlying ETF as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.

M: Number of new Underlying ETF (whether a whole or a fraction) per existing unit each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing Underlying ETF or needed to acquire one new Underlying ETF (as the case may be) which are given to the holders of existing Underlying ETF to subscribe at a fixed subscription price for new Underlying ETF pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights);

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(iii) *Bonus issue.* If and whenever the Underlying ETF shall make a new issue of units credited as fully paid to the holders of the Underlying ETF generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying ETF or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Ratio and/or Exercise Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the Underlying ETF would qualify for the Bonus Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where

re:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional Underlying ETF (whether a whole or a fraction) received by a holder of existing Underlying ETF for each Underlying ETF held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(iv) *Distribution Payment.* If the Underlying ETF of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying ETF to qualify for the special distribution payment by the amount of the special distribution payment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(i) **Adjusted Exercise Ratio =**

$$E \quad X \quad \frac{(P-D)}{P}$$

(ii) **Adjusted Exercise Price =**

$$Y \quad x \quad \frac{(P-D)}{P}$$

Where:

- P: Closing price of the Underlying ETF on the last Market Day on which the Underlying ETF are traded on a cum-entitlement basis
- D: The capital repayment/special dividend per one (1) Underlying ETF held.
- Y: Existing Exercise Price immediately prior to the special distribution payment.
- E: Existing Exercise Ratio immediately prior to the special dividend payment.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the effect of the special distribution payment.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (c) *Extraordinary Events.* If a Merger Event, De-Listing, Insolvency (as defined herein) or such other additional disruption event occurs in relation to the relevant Underlying ETF, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, De-Listing, or Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, De-Listing, Insolvency or such other additional disruption event, made by the Securities Exchange;
- (ii) cancel the Structured Warrants by giving notice to the Warrantholders in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warrantholder which amount shall be the fair market value of the Structured Warrants (as determined by the Issuer) taking into account the Merger Event, De-Listing, or Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying ETF related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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shall be notified to the Warranholders in accordance with Condition 9 – *Notices*; or

- (iii) following any adjustment to the settlement terms of options on the relevant Underlying ETF on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, De-Listing, or Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, De-Listing, or Insolvency or such other additional disruption event, the Issuer shall give notice to the Warranholders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event, De-Listing, or Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warranholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, De-Listing, or Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**De-Listing**” means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying ETF ceases (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Underlying ETF:

- (1) all the ETF Units are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying ETF become legally prohibited from transferring them.

“**Merger Date**” means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

“**Merger Event**” means if it is announced that there may or will be a merger or consolidation of the Underlying ETF into any other fund, other collective investment

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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scheme or otherwise or that all or substantially all of its assets are or may be sold or transferred.

- (d) *Termination or Liquidation of Trustee.* In the event of a termination or the liquidation or dissolution of the trustee of the Underlying ETF (including any successor trustee appointed from time to time) (“Trustee”) (in its capacity as trustee of the Underlying ETF) or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee’s undertaking, property or assets, all unexercised Structured Warrants will lapse and shall cease to be valid for any purpose. In the case of a termination, where a new Trustee is not appointed in replacement thereof, the unexercised Structured Warrants will lapse and shall cease to be valid on the effective date of the termination, in the case of a voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee’s undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.
- (e) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, including, without limitation:
- (i) the payment of income distribution or ETF Units (as the case may be) by the Underlying ETF; or
  - (ii) in-kind creation of ETF Units; or
  - (iii) in-kind redemption of ETF Units.

However, the Issuer reserves the right (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdictions).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (f) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity as a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warranholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warranholders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.

- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (ii) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
- (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantheolders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantheolders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantheolder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantheolder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
  - (ii) the closing price of the Underlying ETF on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying ETF for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantheolders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Structured Warrant held by such Warrant holder equal to the fair market value of a Structured Warrant (as

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying ETF related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warrantheolder and such Warrantheolder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantheolder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(v) European style non-collateralised cash settled call/put warrants over a single equity**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued by the Issuer in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warrantheolders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantheolders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantheolders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantheolders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantheolders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantheolders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined below) of Structured Warrants entitles the Warrantheolder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency and, calculated as follows less Exercise Expenses:

For the avoidance of doubt, the Warrantheolder shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of Call Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Price} - \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of Put Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Closing Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Closing Price and the Exercise Price (as defined herein) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer, at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantholders.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) Underlying Share relates, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Exercise Amount**” means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

“**Closing Price**” will be based on any one of the following:

- (i) the average daily VWAP (as defined below) of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for five (5) Market Days prior to and including Market Day immediately before the Expiry Date (“**Valuation Period**”); or
- (ii) the average closing price of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (iii) the closing price of the Underlying Shares on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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If the Expiry Date falls within the Take-Over Offer period or the compulsory acquisition period, the Expiry Date Closing Price shall be as calculated above or the announced price for the Take-Over Offer, whichever is lower (for Call Warrants) or higher (for Put Warrants), as the case may be.

If the Expiry Date falls on a Market Day when the Underlying Shares is suspended from trading as a result of the Take-Over Offer or the compulsory acquisition, the Expiry Date Closing Price shall be the last quoted price of such Underlying Shares immediately before the suspension or the announced price for the Take-Over Offer, whichever is lower (for Call Warrants) or higher (for Put Warrants), as the case may be.

For the avoidance of doubt, in the event the Underlying Shares is delisted, the Expiry Date Closing Price shall, at the Issuer's discretion be the last quoted price of the Underlying Shares immediately before De-Listing or determined in accordance with the Expiry Date Closing Price (as defined above), as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

If the Underlying Shares is suspended from trading for any reason other than the above or a public holiday unexpected by the Issuer occurs on any of the five (5) Market Days of the Valuation Period applicable shall be as determined by the Issuer in its absolute discretion.

“**VWAP**” means volume weighted average price.

For the Underlying Shares which are quoted on Securities Exchange outside Malaysia, the Closing Price and the Exercise Price may be quoted in currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Expiry Date or any Market Day during the Valuation Period shall be referred to as “**Valuation Date**”.

If the Issuer determines, in its sole discretion, that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8th) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8th) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the Closing Price of the Underlying Shares for such postponed Valuation Date will be the closing market price of the Underlying Shares on the first succeeding Market Day.

“**Exercise Price**” means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

**“Market Disruption Event”** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying Shares or the Structured Warrants, which includes but is not limited to the following events:

- (ii) **“Trading Disruption”** means:
    - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the Underlying Shares or the Structured Warrants; or
    - (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
  - (iii) **“Exchange Disruption”** means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
  - (iv) **“Early Closure”** means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warrantheolders to the delivery of any Underlying Shares, is not secured by the Underlying Shares and does not confer on the Warrantheolders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Shares or otherwise) which a holder of the Underlying Shares may have.

**3. Expiry Date**

Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Structured Warrant which has not been automatically exercised in accordance to Condition 4(c) – *Automatic Exercise* below shall expire and all rights of the Warrantheolders and the Issuer’s obligations with respect to such Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

If in the Issuer’s absolute discretion, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Expiry Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Expiry



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Mode of Exercise.* In respect of the Structured Warrants which are automatically exercised in accordance with Condition 4(c) – *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event (as defined below), the Issuer shall pay the Warrantholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantholder or such other mode as may be approved by Bursa Securities and as determined by the Issuer no later than seven (7) Market Days following the Expiry Date. In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantholder, the cheque shall be delivered by ordinary post to the Warrantholder's address last recorded in the Record of Depositors at the Warrantholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (c) *Automatic Exercise.* The Warrantholders are not required to serve any notice of exercise. All Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warrantholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (d) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

"**Settlement Disruption Event**" refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in the Underlying Shares being unable to settle payments or is unable to clear transfers of the Underlying Shares; or
  - (dd) where the relevant Underlying Shares are denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying Shares traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damages that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

**"Settlement Date"** means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

- (d) *Notification on Expiry.* The Issuer shall notify the Warrantholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

- (a) Following the declaration by an Underlying Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying Share and, if so, the Issuer will:
  - (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange as determined by the Issuer on

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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which the shares constituting the Underlying Shares are listed and quoted, unless otherwise specified by the Issuer.

“**Potential Adjustment Event**” include any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Shares (unless a Merger Event (as defined below)) or a free distribution or dividend of such Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
  - (ii) a call by the Underlying Company in respect of relevant Underlying Shares that are not fully paid;
  - (iii) a repurchase or buy-back by the Underlying Company of relevant Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
  - (iv) a rights issue or bonus issue of the Underlying Shares;
  - (v) a capital repayment in cash whether in the form of special dividend or otherwise pursuant to the Act; or
  - (vi) any other event which may have, in the Issuer’s opinion a dilutive or concentrative or other effect on the theoretical value of relevant Underlying Shares.
- (b) The respective formula for the relevant Potential Adjustment Event are as follows:
- (i) *Subdivisions or Consolidations.* If and whenever the Underlying Company shall subdivide its Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a greater number of shares (“**Subdivision**”) or consolidate the Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a smaller number of shares (“**Consolidation**”), Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \quad x \quad \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(ii) *Rights Issue.* If and whenever the Underlying Company shall, by way of Rights (as defined below), offer new shares for subscription at a fixed subscription price to the holders of existing Underlying Shares pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio and/or the Exercise Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Exercise Ratio immediately prior to the Rights Issue.

X: Existing Exercise Price immediately prior to the Rights Issue.

S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which Underlying Shares are traded on a cum-rights basis.

R: Subscription price per Underlying Shares as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.

M: Number of new Underlying Shares (whether a whole or a fraction) per existing Underlying Share each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing Underlying Share or needed to acquire one new Underlying Share (as the case may be) which are given to the holders of existing Underlying Shares to subscribe at a fixed subscription price for new Underlying Shares pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (iii) *Bonus Issue.* If and whenever the Underlying Company shall make a new issue of shares credited as fully paid to the holders of the Underlying Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (“**Bonus Issue**”), the Exercise Ratio and/or Exercise Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional Underlying Shares (whether a whole or a fraction) received by a holder of existing Underlying Shares for each Underlying Share held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Capital Repayment.* If the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise (pursuant to the Act or such other corresponding provision in the Relevant Country in which the Underlying Shares are listed and quoted) during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Shares to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

- (ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the Underlying Shares on the last Market Day on which the Underlying Shares are traded on a cum-entitlement basis.

D: The capital repayment/special dividend per one (1) Underlying Share held.

Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.

E: Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the capital repayment/special dividend.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the relevant Underlying Company results in a significant change in the business of such Underlying Company or such other circumstances as the Issuer may determine, the Issuer reserves the right, at its sole and absolute discretion

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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and without obligation whatsoever, to terminate the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranholder in respect of each Structured Warrant held by such Warranholder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Warranholder having to deliver a valid exercise form). The Cash Settlement Amount shall be determined based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses, as determined by the Issuer at its absolute discretion.

- (c) *Extraordinary Events*. If a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency (as defined herein) or such other additional disruption event occurs in relation to the relevant Underlying Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event made by the Securities Exchange;
  - (ii) cancel the Structured Warrants by giving notice to the Warranholders in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warranholders which amount shall be the fair market value of the Structured Warrants (as determined by the Issuer) taking into account the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*; or
  - (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warranholders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

**“De-Listing”** means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event or Take-Over Offer) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company:

- (1) all the Underlying Shares of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying Shares of that Underlying Company become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**“Merger Event”** means, in respect of any relevant Underlying Shares, any:

- (1) reclassification or change of such Underlying Shares that results in a transfer or an irrevocable commitment to transfer all of such Underlying Shares outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of an Underlying Company with or into another entity or person by way of scheme of arrangement or otherwise (other than a consolidation, amalgamation, merger or binding share exchange by way of scheme of arrangement or otherwise in which such Underlying Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Shares outstanding); or
- (3) Take-Over Offer (as defined herein), exchange offer, solicitation, proposal or other event by any entity or person by way of scheme of arrangement or otherwise to purchase or otherwise obtain one hundred percent (100%) of the outstanding Underlying Shares of the Underlying Company that results in a transfer or an irrevocable commitment to transfer all such Underlying Shares



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(other than such Underlying Shares owned or controlled by such other entity or person); or

- (4) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity by way of scheme of arrangement or otherwise in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding, results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than fifty percent (50%) of the outstanding Underlying Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the final Valuation Date.

**“Nationalisation”** means that all the Underlying Shares or all or substantially all of the assets of a Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Take-Over Offer”** means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of the outstanding voting shares of the Underlying Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deem relevant.

- (d) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and the its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdictions).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warranholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warranholders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.

- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of laws or rules or regulations; or
  - (iii) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time. A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:

- (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantheolders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantheolders:
  - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantheolder; or
  - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantheolder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
- (ii) the closing price of the Underlying Shares on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Shares for any reason, the Issuer may at its sole and absolute discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantheolders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Structured Warrant held by such Warrantheolder equals to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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to the Issuer of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warranholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(vi) European style non-collateralised cash settled call/put warrants over a basket of equities**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warranholders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warranholders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warranholders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warranholders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warranholders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warranholders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warranholder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency and, calculated as follows less Exercise Expenses:

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of Call Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Basket Closing Price} - \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of Put Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Basket Closing Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Basket Closing Price and the Exercise Price (as defined herein) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer, at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantholders.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) basket of Underlying Shares relate, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Exercise Amount**” means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

“**Basket Closing Price**” shall be adjusted for relevant weighting of the Underlying Shares determined as follows:

- (i) the average daily VWAP (as defined below) of the Underlying Shares comprising the basket (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for five (5) Market Days prior to and including Market Day immediately before the Expiry Date (“**Valuation Period**”); or
- (ii) the average closing prices of the Underlying Shares comprising the basket (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (iii) the closing prices of the Underlying Shares comprising the basket on the Market Day immediately before the Expiry Date,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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as specified by the relevant Term Sheet.

“**VWAP**” means volume weighted average price.

For the Underlying Shares comprising the basket which are quoted on Securities Exchanges outside Malaysia, the Basket Closing Price and the Exercise Price may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Expiry Date or any Market Day during the Valuation Period shall be referred to as “**Valuation Date**”.

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8th) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer’s good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the closing prices of the relevant Underlying Shares comprising the basket for such postponed Valuation Date will be the closing market prices of the relevant Underlying Shares comprising the basket on the first succeeding Market Day.

“**Exercise Price**” means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warranholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Market Disruption Event**” means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the relevant Underlying Shares comprising the basket or the Structured Warrants, which includes but is not limited to the following events:

- (i) “**Trading Disruption**”, means
  - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the relevant Underlying Shares or the Structured Warrants; or
  - (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists,



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or

- (ii) **“Exchange Disruption”**, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
  - (iii) **“Early Closure”**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warranholders to the delivery of any of the relevant Underlying Shares comprising the basket, is not secured by the relevant Underlying Shares comprising the basket and does not confer on the Warranholders any right (whether in respect of voting, dividend or other distributions in respect of the relevant Underlying Shares comprising the basket or otherwise) which a holder of the relevant Underlying Shares comprising the basket may have.

**3. Expiry Date**

Such date of expiry of a particular Structured Warrant to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Structured Warrants which has not been automatically exercised in accordance with Condition 4(c) – *Automatic Exercise* below shall expire and all rights of the Warranholders and the Issuer’s obligations with respect to such Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

If in the Issuer’s absolute discretion, there is a Market Disruption Event occurring on one or more of the Underlying Companies comprising the basket on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Exercise Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Expiry Date by determining the price of the relevant Underlying Shares comprising the basket and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Mode of Exercise.* In respect of the Structured Warrants which are automatically exercised in accordance with Condition 4 (c) - *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(as defined below), the Issuer shall pay the Warrantholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Expiry Date. In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantholder, the cheque shall be delivered by ordinary post to the Warrantholder's address last recorded in the Record of Depositors at the Warrantholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (c) *Automatic Exercise.* The Warrantholders are not required to serve any notice of exercise. All Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warrantholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (d) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of Settlement Disruption Event.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in the Underlying Shares comprising the basket being unable to settle payments or is unable to clear transfers of the relevant Underlying Shares; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (dd) where the Underlying Shares comprising the basket are denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the relevant Underlying Shares traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damages that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

**“Settlement Date”** means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

- (e) *Notification on Expiry.* The Issuer shall notify the Warrantholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months’ tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

- (a) Following the declaration by any one or more of the Underlying Companies of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such a Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the relevant Underlying Shares and, if so, the Issuer will:
  - (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange as determined by the Issuer on which the shares constituting the relevant Underlying Shares are listed and quoted, unless otherwise specified by the Issuer.

**“Potential Adjustment Event”** include any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the relevant Underlying Shares (unless a Merger Event (as defined herein)) or a free distribution or dividend of such relevant Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a call by one or more of the Underlying Companies in respect of relevant Underlying Shares that are not fully paid;

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (iii) a repurchase or buy-back by one or more of the Underlying Companies of relevant Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (iv) a rights issue or bonus issue of one or more of the relevant Underlying Shares;
- (v) a capital repayment in cash whether in the form of special dividend or otherwise pursuant to the Act by one or more of the Underlying Companies of relevant Underlying Shares; or
- (vi) any other event which may have, in the Issuer's opinion a dilutive or concentrative or other effect on the theoretical value of one or more of the relevant Underlying Shares.

(b) The respective formula for the relevant Potential Adjustment Event are as follows:

- (i) *Subdivisions or Consolidations.* If and whenever any one or more of the Underlying Companies shall subdivide the relevant Underlying Shares or any class of its outstanding share capital comprised of the relevant Underlying Shares into a greater number of shares ("**Subdivision**") or consolidate the relevant Underlying Shares or any class of its outstanding share capital comprised of the relevant Underlying Shares into a smaller number of shares ("**Consolidation**"), then, Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \quad x \quad \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (ii) *Rights Issue.* If and whenever any one or more of the relevant Underlying Companies shall, by way of Rights (as defined below), offer new shares for subscription at a fixed subscription price to the holders of existing relevant Underlying Shares pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio and/or the Exercise Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

- E: Existing Exercise Ratio immediately prior to the Rights Issue.
- X: Existing Exercise Price immediately prior to the Rights Issue.
- S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which the relevant Underlying Shares are traded on a cum-rights basis.
- R: Subscription price per relevant Underlying Share as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.
- M: Number of new relevant Underlying Shares (whether a whole or a fraction) per existing relevant Underlying Share each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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**“Rights”** means the Right(s) attached to each existing relevant Underlying Share or needed to acquire one new relevant Underlying Share (as the case may be) which are given to the holders of existing relevant Underlying Shares to subscribe at a fixed subscription price for new relevant Underlying Shares pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (iii) *Bonus Issue.* If and whenever any one or more of the relevant Underlying Companies shall make a new issue of shares credited as fully paid to the holders of the relevant Underlying Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by such relevant Underlying Companies or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (“**Bonus Issue**”), the Exercise Ratio and/or Exercise Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$\text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional relevant Underlying Shares (whether a whole or a fraction) received by a holder of existing relevant Underlying Shares for each relevant Underlying Share held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Capital Repayment.* If any one or more of the Underlying Companies of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise (pursuant to the Act or such other corresponding provision in the Relevant Country in which the relevant Underlying Shares are listed and quoted) during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the relevant Underlying Shares to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

(ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the relevant Underlying Shares on the last Market Day on which the relevant Underlying Shares are traded on a cum-entitlement basis

D: The capital repayment/special dividend per one (1) Underlying Share held.

Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.

E: Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the capital repayment/special dividend.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by one or more of the relevant Underlying Companies results in a significant change in the business of such Underlying Companies or such other circumstances as the Issuer may determine, the Issuer reserves the right, at its sole and absolute discretion and without obligation whatsoever, to terminate the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Structured Warrant held by such Warrantholder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Warrantholder having to deliver a valid exercise form). The Cash Settlement Amount shall be determined based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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exercise less all Exercise Expenses, as determined by the Issuer at its absolute discretion.

- (c) *Extraordinary Events.* If a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency (as defined below) or such other additional disruption event occurs in relation to any one or more of the Underlying Companies of the relevant Underlying Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event made by the Securities Exchange;
  - (ii) cancel the Structured Warrants by giving notice to the Warranholders in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warranholders which amount shall be the fair market value of the Structured Warrants (as determined by the Issuer) taking into account the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any of the relevant Underlying Shares related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*; or
  - (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warranholders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warranholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

**“De-Listing”** means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such relevant Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event or Take-Over Offer) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting one or more of the relevant Underlying Companies:

- (1) all the relevant Underlying Shares of that relevant Underlying Companies are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the relevant Underlying Shares of that relevant Underlying Companies become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**“Merger Event”** means, in respect of any relevant Underlying Shares, any:

- (1) reclassification or change of any one or more of the relevant Underlying Shares that results in a transfer or an irrevocable commitment to transfer all of such relevant Underlying Shares outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of any one or more of the relevant Underlying Companies with or into another entity or person by way of scheme of arrangement or otherwise (other than a consolidation, amalgamation, merger or binding share exchange by way of scheme of arrangement or otherwise in which such Underlying Companies is the continuing entity and which does not result in reclassification or change of all of such relevant Underlying Shares outstanding); or
- (3) Take-Over Offer (as defined below), exchange offer, solicitation, proposal or other event by any entity or person by way of scheme of arrangement or otherwise to purchase or otherwise obtain one hundred percent (100%) of the outstanding relevant Underlying Shares of any one or more of the relevant Underlying Companies that results in a transfer or an irrevocable commitment to transfer all such relevant Underlying Shares (other than such relevant Underlying Shares owned or controlled by such other entity or person); or
- (4) consolidation, amalgamation, merger or binding share exchange of any one or more of the relevant Underlying Companies or its subsidiaries with or into another entity by way of scheme of arrangement or otherwise in which the relevant Underlying Companies are the continuing entity and which does not result in a reclassification or change of all such relevant Underlying Shares

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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outstanding, results in the outstanding relevant Underlying Shares (other than relevant Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than fifty percent (50%) of the outstanding relevant Underlying Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the final Valuation Date.

**“Nationalisation”** means that in respect of any one or more of the Underlying Companies, all the relevant Underlying Shares, or all or substantially all of the assets of the relevant Underlying Companies are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Take-Over Offer”** means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of the outstanding voting shares of any one or more of the relevant Underlying Companies, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deem relevant.

- (d) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdictions).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.

**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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treaty, whether in the capacity as fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warranholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warranholders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than 50 percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five 75 percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8 Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (b) Notwithstanding the above, the Issuer may without the consent of the Warrantheolders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (i) not materially prejudicial to the interests of the Warrantheolders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of laws or rules or regulations; or
  - (iv) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warrantheolders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warrantheolders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time. A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warrantheolders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warrantheolders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warrantheolders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:

- (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantheolders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantheolders:
  - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantheolder; or
  - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantheolder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
- (ii) the closing prices of Underlying Shares comprising the basket on the Market Day immediately before the above events shall form the Basket Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warrantheolders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Shares comprising the basket for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantheolders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Structured Warrant held by such Warrantheolder equals to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Shares comprising the basket related hedging arrangements, all as determined by the Issuer in its sole and absolute

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warranholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(vii) European style non-collateralised cash settled call/put warrants over a single index**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued by the Issuer in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warranholders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warranholders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warranholders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warranholders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warranholders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warranholders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warranholder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency, calculated as follows less Exercise Expenses:

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of Call Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Level} - \text{Exercise Level}) \times \text{Index Currency Amount} \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of Put Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Level} - \text{Closing Level}) \times \text{Index Currency Amount} \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Closing Level and the Exercise Level (as defined below) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer at the Issuer's absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantholders.

**"Index Currency Amount"** means the amount of unit currency relating to one (1) integral point of the Underlying Index, as specified in the relevant Term Sheet.

**"Exercise Ratio"** means the number of Structured Warrants to which one (1) Underlying Index relates, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

**"Exercise Amount"** means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

**"Exercise Expenses"** means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

**"Closing Level"** in relation to the Underlying Index, on the Expiry Date, shall be determined as follows:

- (i) the closing level of the Underlying Index on the Market Day immediately before the Expiry Date; or
- (ii) the final settlement price for settling the corresponding spot month index futures contract on the Expiry Date; or
- (iii) the average closing levels of the Underlying Index for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date ("**Valuation Period**"),

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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If on the relevant date the Underlying Index Sponsor has not published the Underlying Index for the purpose of calculating the Closing Level, the Closing Level will be the closing market level on the Market Day immediately before the relevant date (subject to the Market Disruption Event as defined below).

Regarding sub-Condition (ii) of Closing Level above, if in the Issuer's absolute discretion, the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date is otherwise unavailable on that date, the Expiry Date will be postponed until such final settlement price for settling the corresponding spot-month index futures contracts is published. For the Underlying Index which is quoted on a Securities Exchange outside Malaysia, the Closing Level and the Exercise Level may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Expiry Date or any Market Day during the Valuation Period shall be referred to as "**Valuation Date**".

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8th) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the Closing Level of the Underlying Index for such postponed Valuation Date will be the closing market level of the Underlying Index on the first succeeding Market Day.

**"Exercise Level"** means in relation to a particular series of Structured Warrants, the Exercise Level is the pre-specified level as determined by the Issuer at which a Warrantheader may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

**"Market Disruption Event"** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of a material number of shares comprising the Underlying Index or any material constituent security of the Underlying Index or the Structured Warrants, which includes but is not limited to the following events:

- (i) the occurrence or existence on any Market Day at the time by reference to which the Issuer determines the level of the relevant Underlying Index or the prices of the shares constituting the Underlying Index ("**Relevant Time**") for such Underlying Index or such shares constituting the Underlying Index or at any time during the one hour period that ends at the Relevant Time for such Underlying Index or such shares constituting the Underlying Index:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (aa) of any suspension of a limitation imposed on trading such as:
  - (aaa) the suspension or material limitation on the trading of a material number of the shares constituting the Underlying Index;
  - (bbb) the suspension or material limitation on the trading of the shares constituting the Underlying Index on the relevant Securities Exchange;
  - (ccc) the suspension or material limitation on relevant Securities Exchange on the trading of options contracts or futures contracts relating to the Underlying Index or shares relating to the Underlying Index on which such contracts are traded; or
  - (ddd) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount; or
- (bb) of any event that disrupts or impairs (as determined by the Issuer) the ability of market participants in general to effect transactions in relation to or to obtain market levels for the Underlying Index or market prices such shares constituting the Underlying Index on the relevant Securities Exchange or to effect transactions in or obtain market quotes for options contracts or futures contracts on or relating to the relevant Underlying Index or such shares constituting the Underlying Index on the relevant Securities Exchange;
- (ii) the closure on any Market Day of the relevant Securities Exchange prior to the scheduled closing time unless such earlier closing time is announced by such Securities Exchange or such related Securities Exchange, as the case may be, at least one half hour prior to:
  - (aa) the actual closing time for the regular trading session on such Securities Exchange or such related Securities Exchange on such Market Day; or
  - (bb) the submission deadline (if applicable) for orders to be entered into the Securities Exchange or such related Securities Exchange system for execution on such Market Day,whichever is earlier.
- (b) *Exercise Expenses.* Any charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants are to be borne by the Warrantholder. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost ("**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No recourse against Underlying Index Sponsor.* Warrantholders have no claim against the Underlying Index Sponsor (including its agent(s) and delegate(s), as the case may be) for any mistake, error or omission in the calculation or compilation of the Underlying Index. The Issuer shall not be liable to the Warrantholders for any

## ANNEXURE I PRINCIPAL TERMS OF DEED POLL (*Cont'd*)

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losses, costs, expenses or charges incurred due to the mistake, error or omission by the Underlying Index Sponsor (including its agent(s) and delegate(s), as the case may be) in the calculation or compilation of the Underlying Index.

### 3. Expiry Date

Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Structured Warrants which has not been automatically exercised in accordance with Condition 4(c) – *Automatic Exercise* below shall expire and all rights of the Warrantheholders and the Issuer's obligations with respect to such Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

If in the Issuer's absolute discretion, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Expiry Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference level and/or the exchange rate (if applicable) for the Expiry Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

### 4. Exercise

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Mode of Exercise.* In respect of the Structured Warrants which are automatically exercised in accordance with Condition 4(c) – *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event (as defined below), the Issuer shall pay the Warrantheholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantheholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Expiry Date. In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantheholder, the cheque shall be delivered by ordinary post to the Warrantheholder's address last recorded in the Record of Depositors at the Warrantheholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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The Issuer shall not allow the Warranholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (c) *Automatic Exercise.* The Warranholders are not required to serve any notice of exercise. All Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warranholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (d) *Settlement Disruption Event.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in the Underlying Index being unable to settle payments or is unable to clear transfers of the Underlying Index; or
  - (dd) where the Underlying Index is denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying Index traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warranholder for any interest in respect of the amount due or any loss or damages that such Warranholder may suffer as a result of the existence of a Settlement Disruption Event.

- (e) *Notification on Expiry.* The Issuer shall notify the Warranholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

Subject to the Conditions, the Underlying Index of the relevant Structured Warrants shall from time to time be adjusted in accordance with the following provisions:

- (a) *Successor for the Underlying Index sponsor calculates and reports Underlying Index.*

If the Underlying Index is:

- (i) not calculated and announced by the Underlying Index Sponsor but is calculated and published by a successor to the Underlying Index Sponsor ("**Successor Underlying Index Sponsor**") acceptable to the Issuer; or
- (ii) replaced by a successor index using, in the Issuer's determination, the same or substantially similar formula for and method of calculation as used in the calculation of the Underlying Index,

then the Underlying Index will be deemed to be the index so calculated and announced by the Successor Underlying Index Sponsor or that successor index, as the case may be.

- (b) *Modification and cessation of calculation of Underlying Index. If:*

- (i) on or prior to the Valuation Date the Underlying Index Sponsor or if applicable, the Successor Underlying Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating the Underlying Index or in any other way materially modifies the Underlying Index (other than modifications prescribed in that formula or method to maintain the Underlying Index in the event of changes in the constituent stocks, contracts or commodities and other routine events); or
- (ii) on a Valuation Date the Underlying Index Sponsor or if applicable, the Successor Underlying Index Sponsor fails to calculate and publish the Underlying Index (other than as a result of a Market Disruption Event) ("**Index Disruption**"),

then the Issuer may determine the Closing Level using, in lieu of a published level for the Underlying Index, the level for the Underlying Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Underlying Index last in effect prior to that change, modification, cancellation or failure, but using only those shares/commodities that comprised the Underlying Index immediately prior to that change or failure (other than those shares that have since ceased to be listed on the relevant Securities Exchange). Alternatively, the Issuer may determine the reference level using the closing level of the corresponding spot-month index futures contract, if available.

- (c) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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made pursuant to the above) should, in the context of the issue of the Structured Warrants and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (d) On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.
- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – Adjustments results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made.

**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity as fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warranholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warranholders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

## **ANNEXURE I PRINCIPAL TERMS OF DEED POLL (*Cont'd*)**

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The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

### **8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (v) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

### **9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warranholders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warranholders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warranholder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warranholder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
  - (ii) the closing level of the Underlying Index on the Market Day immediately before the above events shall form the Closing Level for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Index for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantheolders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Structured Warrant held by such Warrantheolder equals to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Index related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warrantheolder and such Warrantheolder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantheolder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL *(Cont'd)***

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Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(viii) European style non-collateralised cash settled call/put warrants over an ETF**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 12 – *Further Issues* below). Warranholders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warranholders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warranholders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warranholders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warranholders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warranholders are not entitled to any physical warrant certificates.

**2. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warranholder, upon due exercise and on compliance with Condition 4 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4 – *Exercise* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency and, calculated as follows less Exercise Expenses:

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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In the case of Call Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Price} - \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of Put Warrants:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Closing Price}) \times \text{Settlement Exchange Rate (if applicable)} - \text{Exercise Expenses}$$

In the case of the Closing Price and the Exercise Price (as defined herein) being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer, at its absolute discretion by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantholders.

“**Exercise Ratio**” means the number of Structured Warrants to which one (1) Underlying ETF relates, subject to any adjustment as may be necessary in accordance with the adjustment conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Exercise Amount**” means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

“**Exercise Expenses**” means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

“**Closing Price**” shall be determined as follows:

- (i) the average daily VWAP (as defined below) of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for five (5) Market Days prior to and including Market Day immediately before the Expiry Date (“**Valuation Period**”); or
- (ii) the average closing price of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (iii) the closing price of the Underlying ETF on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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“**VWAP**” means volume weighted average price.

For the Underlying ETF which is quoted on a Securities Exchange outside Malaysia, the Closing Price and the Exercise Price may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

For the purpose of this section, the Expiry Date or any Market Day during the Valuation Period shall be referred to as “**Valuation Date**”.

If the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event (as defined below) has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8th) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer’s good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

For the avoidance of doubt, in the event that a Valuation Date is postponed due to the occurrence of a Market Disruption Event, the Closing Price of the Underlying ETF for such postponed Valuation Date will be the closing market price of the Underlying ETF on the first succeeding Market Day.

“**Exercise Price**” means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 5 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Market Disruption Event**” means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying ETF or the Structured Warrants, which includes but is not limited to the following events:

- (i) “**Trading Disruption**”, means
  - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the Underlying ETF or the Structured Warrants; or
  - (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
- (ii) “**Exchange Disruption**”, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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values for any share transactions on Bursa Securities or such relevant Securities Exchange; or

- (iii) **“Early Closure”**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warrantheolders to the delivery of any Underlying ETF, is not secured by the Underlying ETF and does not confer on the Warrantheolders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying ETF or otherwise) which a holder of the Underlying ETF may have.

**3. Expiry Date**

Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Structured Warrant which has not been automatically exercised in accordance to Condition 4(c) – *Automatic Exercise* below shall expire and all rights of the Warrantheolders and the Issuer’s obligations with respect to such Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

If in the Issuer’s absolute discretion, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Expiry Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of the Issuer’s good faith estimate the reference price and/or the exchange rate (if applicable) for the Expiry Date by determining the price of the Underlying ETF and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 5 – *Adjustments*.

**4. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Mode of Exercise.* In respect of the Structured Warrants which are automatically exercised in accordance with Condition 4(c) - *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event (as defined below), the Issuer shall pay the Warrantheolder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantheolder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the Expiry Date. In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantheolder, the cheque shall be

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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delivered by ordinary post to the Warrantheader's address last recorded in the Record of Depositors at the Warrantheader's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantheader to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (c) *Automatic Exercise.* The Warrantheaders are not required to serve any notice of exercise. All Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warrantheaders and the Issuer's obligations with respect to such Structured Warrants shall cease and the Warrantheaders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warrantheaders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (d) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event.

"**Settlement Disruption Event**" refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in the Underlying ETF being unable to settle payments or is unable to clear transfers of the Underlying ETF; or
  - (dd) where the Underlying ETF is denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying ETF traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date (as defined below), the Issuer shall use its

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damages that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

“**Settlement Date**” means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

- (e) *Notification on Expiry.* The Issuer shall notify the Warrantholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months’ tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**5. Adjustments**

- (a) Following the declaration by the manager or trustee of the Underlying ETF of the terms of any Potential Adjustment Event (as defined herein), the Issuer will determine whether such Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying ETF and, if so, the Issuer will:
- (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such a Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange on which the relevant Underlying ETF are also listed and quoted, unless otherwise specified by the Issuer.

“**Potential Adjustment Event**” include any of the following:

- (i) a subdivision or consolidation of the Underlying ETF (unless a Merger Event (as defined herein)) or a free distribution or dividend of such Underlying ETF to existing holders by way of bonus, capitalisation or similar issue;
  - (ii) a rights issue or bonus issue of the Underlying ETF; or
  - (iii) a special distribution payment in cash of the Underlying ETF; or
  - (iv) any other event which may have, in the Issuer’s opinion a dilutive or concentrative or other effect on the theoretical value of relevant Underlying ETF.
- (b) The respective formula for the relevant Potential Adjustment Event are as follows:
- (i) *Subdivisions or Consolidations.* If and whenever the Underlying ETF shall subdivide its ETF Units or any class of its ETF Units into a greater number of units (“**Subdivision**”) or consolidate the ETF Units or any class of its outstanding ETF Units into a smaller number of units (“**Consolidation**”), Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day



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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \quad x \quad \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(ii) *Rights Issue.* If and whenever the Underlying ETF shall, by way of Rights (as defined below), offer new units for subscription at a fixed subscription price to the holders of existing Underlying ETF pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio and/or the Exercise Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the Underlying ETF would qualify for the Rights Issue in accordance with the following formulas:

(i) **Adjusted Exercise Ratio =** 
$$\frac{E}{\text{Adjustment Factor}}$$

(ii) **Adjusted Exercise Price =** 
$$\frac{X}{\text{Adjustment Factor}}$$

Where:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

- E: Existing Exercise Ratio immediately prior to the Rights Issue.
- X: Existing Exercise Price immediately prior to the Rights Issue.
- S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which Underlying ETF is traded on a cum-rights basis.
- R: Subscription price per Underlying ETF as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.
- M: Number of new Underlying ETF (whether a whole or a fraction) per existing Underlying ETF each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing Underlying ETF or needed to acquire one new Underlying ETF (as the case may be) which are given to the holder of existing Underlying ETF to subscribe at a fixed subscription price for new Underlying ETF pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights);

- (iii) *Bonus Issue.* If and whenever the Underlying ETF shall make a new issue of shares credited as fully paid to the holders of the Underlying ETF generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying ETF or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (“**Bonus Issue**”), the Exercise Ratio and/or Exercise Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the Underlying ETF would qualify for the Bonus Issue in accordance with the following formulas:

(i) **Adjusted Exercise Ratio** =  $\frac{E}{\text{Adjustment Factor}}$

(ii) **Adjusted Exercise Price** =  $\frac{X}{\text{Adjustment Factor}}$

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional Underlying ETF (whether a whole or a fraction) received by a holder of existing Underlying ETF for each Underlying ETF held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Distribution Payment.* If the Underlying ETF of the relevant Structured Warrants undertake a capital distribution in cash whether in the form of special dividend or otherwise during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying ETF to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

- (ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the Underlying ETF on the last Market Day on which the Underlying ETF is traded on a cum-entitlement basis

D: The special distribution amount per one (1) Underlying ETF held.

Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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E: Existing Exercise Ratio immediately prior to the special distribution payment.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the special distribution payment.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (c) *Extraordinary Events.* If a Merger Event, De-Listing, Insolvency (as defined herein) or such other additional disruption event occurs in relation to the relevant Underlying ETF, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, De-Listing, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, De-Listing, Insolvency or such other additional disruption event, made by the Securities Exchange;
  - (v) cancel the Structured Warrants by giving notice to the Warrantholders in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warrantholder which amount shall be the fair market value of the Structured Warrants (as determined by the Issuer) taking into account the Merger Event, De-Listing, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying ETF related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9 – *Notices*; or
  - (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, De-Listing, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, De-Listing, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warrantholders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event, De-Listing, Insolvency or such other

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warranholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, De-Listing, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

**“De-Listing”** means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying ETF ceases (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Underlying ETF:

- (1) all the ETF Units are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying ETF become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**“Merger Event”** means if it is announced that there may or will be a merger or consolidation of the Underlying ETF into any other fund, other collective investment scheme or otherwise or that all or substantially all of its assets are or may be sold or transferred.

- (d) *Termination or Liquidation of Trustee.* In the event of a termination or the liquidation or dissolution of the trustee of the Underlying ETF (including any successor trustee appointed from time to time) (“**Trustee**”) (in its capacity as trustee of the Underlying ETF) or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee’s undertaking, property or assets, all unexercised Structured Warrants will lapse and shall cease to be valid for any purpose. In the case of a termination, where a replacement Trustee is not appointed, the unexercised Structured Warrants will lapse and shall cease to be valid on the effective date of the termination, in the case of a voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee’s undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (e) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, including, without limitation:
- (i) the payment of income distribution or ETF Units (as the case may be) by the Underlying ETF; or
  - (ii) in-kind creation of ETF Units; or
  - (iv) in-kind redemption of ETF Units.

However, the Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Structured Warrants and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (f) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made

**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warrantheolders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting right with respect to the Structured Warrants held in any meeting of the Warrantheolders, unless otherwise permitted by applicable laws and requirements.

**7. Meetings of Warrantheolders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warrantheolders.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll. The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (vi) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warranholders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warranholders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warranholder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warranholder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (ii) the closing price of the Underlying ETF on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying ETF for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warranholders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranholder in respect of each Structured Warrant held by such Warranholder equals to the fair market value of a Structured Warrant (as determined by the Issuer) notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying ETF related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**14. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(ix) European style non-collateralised cash settled CBBCs over a single equity**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued by the Issuer in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 14 – *Further Issues* below). Warranholders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warranholders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warranholders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warranholders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warranholders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warranholders are not entitled to any physical warrant certificates.

**2. Definitions**

In these Conditions, unless the context requires otherwise or unless otherwise defined:

“**Call Price**” means the pre-specified price of the Underlying Shares as determined by the Issuer at which the Issuer must call the CBBCs before its Expiry Date subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 7 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Cash Settlement Amount**” means the amount of cash to be paid on valid exercise of the Structured Warrants in accordance with Condition 4(a) – *Mandatory Call Event* or Condition 5 – *Expiry Date*.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Category N CBBCs”** means a series of CBBCs where the Call Price is equal to the Exercise Price (as defined herein).

**“Category R CBBCs”** means a series of CBBCs where the Call Price is different from the Exercise Price.

**“Day of Notification”** means the Market Day immediately following the day on which the Mandatory Call Event occurs.

**“Exercise Ratio”** means the number of Structured Warrants to which one (1) Underlying Share relates, as specified in the relevant Term Sheet.

**“Exercise Amount”** means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

**“Exercise Price”** means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 7 – *Adjustments* below and as specified in the relevant Term Sheet.

**“Exercise Expenses”** means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

**“Hedging Disruption Event”** means if the Issuer determines that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer to wholly or partially establish, re-establish, substitute or maintain a relevant hedging transaction (**“Relevant Hedging Transaction”**) it deems necessary or desirable to hedge its obligations in respect of the CBBCs. The reasons for such determination by the Issuer may include, but are not limited to, the following:

- (a) any material illiquidity in the market for the Underlying Shares;
- (b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority);
- (c) a material decline in the creditworthiness of a party with whom the Issuer have entered into any such Relevant Hedging Transaction; or
- (d) the general unavailability of:
  - (i) market participants who will agree to enter into a Relevant Hedging Transaction; or
  - (ii) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

**“Highest Traded Price”** means in respect of a series of callable bear certificates, the highest traded price of the Underlying Shares during the Main Trading Phase of MCE Valuation

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Period (as defined herein) which the opening and closing prices are not to be taken into account.

**"Lowest Traded Price"** means in respect of a series of callable bull certificates, the lowest traded price of the Underlying Shares during the Main Trading Phase of MCE Valuation Period (as defined herein) which the opening and closing prices are not to be taken into account.

**"Main Trading Phase"** means a trading phase as described in Rule 701.5A of the Rules of the Bursa Securities or the rules of the respective Securities Exchange where the Underlying Shares is quoted and/or traded as specified in the relevant Term Sheet.

**"Mandatory Call Event"** means the first occurrence at any time before the CBBC's Expiry Date where the transacted price of the Underlying Shares is at or below (in respect of a callable bull certificate) or at or above (in respect of a callable bear certificate) the Call Price and upon which the CBBCs will be called by the Issuer.

**"Market Disruption Event"** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying Shares or the Structured Warrants, which includes but is not limited to the following events:

- (a) **"Trading Disruption"**, means
  - (i) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the Underlying Shares or the Structured Warrants; or
  - (ii) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
- (b) **"Exchange Disruption"**, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
- (c) **"Early Closure"**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.

**"MCE Valuation Period"** means the period commencing from and including the time where Mandatory Call Event occurs and up to the end of the Next Trading Session (as defined herein) on the relevant Securities Exchange unless, if the Issuer determines, in its sole discretion that during MCE Valuation Period, a Market Disruption Event has occurred, then the Next Trading Session shall be postponed until the first succeeding trading session on which there is no Market Disruption Event. In the event a Market Disruption Event happens resulting in the postponed Next Trading Session falling on or after the Expiry Date then:

- (a) the end of the last trading session on the Market Day immediately preceding the Expiry Date (the **"End of MCE Valuation Period"**) shall be deemed to be the MCE Valuation Period notwithstanding the Market Disruption Event; and
- (b) the Issuer shall determine the Lowest/Highest Traded Price (as the case may be) of the Underlying Shares on the basis of its good faith estimate of such price that would have prevailed at the End of MCE Valuation Period but for the Market Disruption Event.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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For the avoidance of doubt, if there is a Market Disruption Event on any trading session during the MCE Valuation Period, all prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Lowest/Highest Traded Price (as the case may be) for the calculation of the Cash Settlement Amount.

**"Next Trading Session"** means the first trading session of the Securities Exchange on which the Underlying Shares are quoted and/or traded after the occurrence of the Mandatory Call Event, which contains at least one (1) hour of continuous trading for the Underlying Shares.

**"Settlement Date"** means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (a) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (b) any other events beyond the Issuer's control which results in:
  - (i) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (ii) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (iii) the principal clearing and settlement system of dealing in the Underlying Shares being unable to settle payments or is unable to clear transfers of the Underlying Shares; or
  - (iv) where the Underlying Shares are denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying Shares traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

**"Valuation Date"** means each of the five (5) Market Days prior to and including Market Day immediately before the Expiry Date, unless if the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**"VWAP"** means volume weighted average price.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**3. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warrantholder, upon due exercise and on compliance with Condition 6 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (if any) in the manner set out in Condition 6 – *Exercise* below.
- (b) *Exercise Expenses.* Any charges or expenses including taxes or duties which are incurred in respect of or in connection with (i) Category R CBBCs, upon the occurrence of the Mandatory Call Event or (ii) exercise of the Structured Warrants in accordance with Condition 6(c) – *Automatic Exercise*, are to be borne by the Warrantholder. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost (“**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warranholders to the delivery of any Underlying Shares, is not secured by the Underlying Shares and does not confer on the Warranholders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Shares or otherwise) which a holder of the Underlying Shares may have.

**4. Mandatory Call Event and Revocation of Mandatory Call Event**

- (a) *Mandatory Call Event.* Upon the occurrence of the Mandatory Call Event, the trading of CBBCs will cease immediately and the Issuer shall have no further obligation under the Structured Warrants except for the Cash Settlement Amount which would be payable by the Issuer (if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero), except otherwise stated in Condition 4(b) below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in RM, calculated as follows less Exercise Expenses:

In respect of Category R CBBCs,

- (i) In the case of callable bull certificates;

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Lowest Traded Price} - \text{Exercise Price} \right] - \text{Exercise Expenses}$$

- (ii) In the case of callable bear certificates;

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Exercise Price} - \text{Highest Traded Price} \right] - \text{Exercise Expenses}$$

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Provided that the Issuer may, in its absolute discretion, pay a higher Cash Settlement Amount than the amount calculated in accordance with the above formula.

In respect of Category N CBBCs, Cash Settlement Amount is zero when Mandatory Call Event occurs.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

In the case of the Highest/Lowest Traded Price and Exercise Price are being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warranholders.

- (b) *Revocation of Mandatory Call Event.* The Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:
- (i) system malfunction or other technical errors of the relevant Securities Exchange; or
  - (ii) manifest errors caused by the relevant third party price source where applicable; and
  - (iii) in each case, the Issuer shall take such steps as prescribed by the relevant Securities Exchange in accordance with the relevant rules and regulations or such course of action as mutually agreed between the Issuer and the relevant Securities Exchange as soon as reasonably practicable to alleviate the consequences resulting from the above (i) and (ii) to the extent practicable.
- (c) *Course of Actions.* On the occurrence of Mandatory Call Event, the Issuer shall unless otherwise permitted pursuant to or provided under the Listing Requirements:
- (i) immediately notify Bursa Securities to suspend the trading of the CBBCs and such CBBCs will be delisted on the fourth (4<sup>th</sup>) Market Day after the Mandatory Call Event;
  - (ii) announce the Mandatory Call Event and suspension to the Bursa Securities in accordance with Condition 11 – *Notices*; and
  - (iii) announce the Cash Settlement Amount within one (1) Market Day from the end of the Next Trading Session after the Mandatory Call Event in accordance with Condition 11 – *Notices*.

**5. Expiry Date**

Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Structured Warrant which has not been automatically exercised in accordance to Condition 6(c) – *Automatic Exercise* below shall expire and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.



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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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If in the Issuer's absolute discretion, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Expiry Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Expiry Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 7 – *Adjustments*.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in RM, calculated as follows less Exercise Expenses:

- (a) In the case of callable bull certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Closing Price} - \text{Exercise Price} \right] - \text{Exercise Expenses}$$

- (b) In the case of callable bear certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Exercise Price} - \text{Closing Price} \right] - \text{Exercise Expenses}$$

In the case of the Closing Price (as defined below) and the Exercise Price being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warranholders.

“**Closing Price**” in relation to the Underlying Shares, on the Expiry Date, shall be determined as follows:

- (a) the average daily VWAP of the Underlying Shares for five (5) Market Days prior to and including Market Day immediately before the Expiry Date (“**Valuation Period**”) and each of such five (5) Market Days shall be referred to as “**Valuation Date**”; or
- (b) the average closing price of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (c) the closing price of the Underlying Shares on the Market Day immediately before the Expiry Date,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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as specified by the relevant Term Sheet.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

For the Underlying Shares which are quoted on Securities Exchanges outside Malaysia, the Closing Price and the Exercise Price may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

**6. Exercise**

(a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

(b) *Mode of Exercise.* In respect of (i) Category R CBBCs, upon occurrence of Mandatory Call Event or (ii) Structured Warrants which are automatically exercised in accordance with Condition 6(c) – *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event, the Issuer shall pay the Warranholder the Cash Settlement Amount (if any).

The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warranholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the date of De-Listing (as defined below) of the CBBCs or Expiry Date (whichever is earlier). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warranholder, the cheque shall be delivered by ordinary post to the Warranholder's address last recorded in the Record of Depositors at the Warranholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warranholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

(c) *Automatic Exercise.* The Warranholders are not required to serve any notice of exercise. In the event there is no Mandatory Call Event, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrant shall cease and the Warranholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

(d) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event. If

## ANNEXURE I PRINCIPAL TERMS OF DEED POLL (*Cont'd*)

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as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warrantholders for any interest in respect of the amount due or any loss or damage that such Warrantholder may suffer as a result of the existence of the Settlement Disruption Event.

- (e) *Notification on Expiry.* The Issuer shall notify the Warrantholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised

### 7. Adjustments

- (a) Following the declaration by an Underlying Company of the terms of any Potential Adjustment Event (as defined in Condition 2 - *Definitions*), the Issuer will determine whether such Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying Shares and, if so, the Issuer will:
- (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such a Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange as determined by the Issuer on which the shares constituting the Underlying Shares are listed and quoted, unless otherwise specified by the Issuer.

“**Potential Adjustment Event**” include any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Shares (unless a Merger Event (as defined herein)) or a free distribution or dividend of such Underlying Shares to existing Warrantholders by way of bonus, capitalisation or similar issue;
- (ii) a call by the Underlying Company in respect of relevant Underlying Shares that are not fully paid;
- (iii) a repurchase or buy-back by the Underlying Company of relevant Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (iv) a rights issue or bonus issue of the Underlying Shares;
- (v) a capital repayment in cash whether in the form of special dividend or otherwise pursuant to the Act; or
- (vi) any other event which may have, in the Issuer's opinion a dilutive or concentrative or other effect on the theoretical value of relevant Underlying Shares.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(b) The respective formula for the relevant Potential Adjustment Event are as follows:

(i) *Subdivisions or Consolidations.* If and whenever the Underlying Company shall subdivide its Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a greater number of shares ("**Subdivision**") or consolidate the Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a smaller number of shares ("**Consolidation**"), Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \quad x \quad \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(ii) *Rights Issue.* If and whenever the Underlying Company shall, by way of Rights (as defined below), offer new shares for subscription at a fixed subscription price to the holders of existing Underlying Shares pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio, Exercise Price and/or the Call Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Exercise Ratio immediately prior to the Rights Issue.

X: Existing Exercise Price immediately prior to the Rights Issue.

S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which Underlying Shares are traded on a cum-rights basis.

R: Subscription price per Underlying Share as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.

M: Number of new Underlying Shares (whether a whole or a fraction) per existing Underlying Shares each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

**“Rights”** means the Right(s) attached to each existing Underlying Share or needed to acquire one new Underlying Share (as the case may be) which are given to the holders of existing Underlying Shares to subscribe at a fixed subscription price for new Underlying Shares pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

(iii) *Bonus Issue.* If and whenever the Underlying Company shall make a new issue of shares credited as fully paid to the holders of the Underlying Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (**“Bonus Issue”**), the Exercise Ratio, Exercise Price and/or Call Price will be adjusted on the Market Day immediately following the last day on which an

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional Underlying Shares (whether a whole or a fraction) received by a holder of existing Underlying Shares for each Underlying Share held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Capital Repayment.* If the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise (pursuant to the Act or such other corresponding provision in the Relevant Country in which the Underlying Shares are listed and quoted) during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying Shares to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E \quad X \quad (P-D)}{P}$$

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the Underlying Shares on the last Market Day on which the Underlying Shares are traded on a cum-entitlement basis

D: The capital repayment/special dividend per one (1) Underlying Share held.

Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.

E: Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the repayment/special dividend.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the relevant Underlying Company results in a significant change in the business of such Underlying Company or such other circumstances as the Issuer may determine, the Issuer reserves the right, at its sole and absolute discretion and without obligation whatsoever, to terminate the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Structured Warrant held by such Warrantholder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Warrantholder having to deliver a valid exercise form). The Cash Settlement Amount shall be determined based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses, as determined by the Issuer at its absolute discretion.

(c) *Extraordinary Events.* If a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency (as defined herein) or such other additional disruption event occurs in relation to the relevant Underlying Shares, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Take-Over Offer, De-

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Listing, Nationalisation, Insolvency or such other additional disruption event made by the Securities Exchange;

- (ii) cancel the CBBCs by giving notice to the Warranholders in accordance with Condition 11 – *Notices* if the CBBCs are so cancelled, the CBBC held by such Warranholder which amount shall be the fair market value of a CBBC taking into account the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 11 – *Notices*; or
- (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warranholders in accordance with Condition 11 – *Notices* stating the occurrence of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warranholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/ or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustments made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**De-Listing**” means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event or Take-over Offer) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company:

- (1) all the Underlying Shares of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying Shares of that Underlying Company become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**“Merger Event”** means, in respect of any relevant Underlying Shares, any:

- (1) reclassification or change of such Underlying Shares that results in a transfer or an irrevocable commitment to transfer all of such Underlying Shares outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of an Underlying Company with or into another entity or person by way of scheme of arrangement or otherwise (other than a consolidation, amalgamation, merger or binding share exchange by way of scheme of arrangement or otherwise in which such Underlying Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Shares outstanding); or
- (3) Take-Over Offer (as defined below), exchange offer, solicitation, proposal or other event by any entity or person by way of scheme of arrangement or otherwise to purchase or otherwise obtain one hundred percent (100%) of the outstanding Underlying Shares of the Underlying Company that results in a transfer or an irrevocable commitment to transfer all such Underlying Shares (other than such Underlying Shares owned or controlled by such other entity or person); or
- (4) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity by way of scheme of arrangement or otherwise in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding, results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 percent (50%) of the outstanding Underlying Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the final Valuation Date.

**“Nationalisation”** means that all the Underlying Shares or all or substantially all of the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Take-Over Offer”** means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(100%) of the outstanding voting shares of the Underlying Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deem relevant.

- (d) *Other Adjustments.* Except as provided in this Condition 7 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the CBBCs and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdictions).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 11 – *Notices* within five (5) Market Days of the adjustment being made.

**8. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchases or buy-back any of the Structured Warrants and become the Warrantheolders of any are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warrantheolders, unless otherwise permitted by applicable laws and requirements.

**9. Meetings of Warrantheolders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warrantheolders.

Any resolutions to be passed in a meeting of the Warrantheolders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such Warranholders' meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**10. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (iv) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**11. Notices**

All notices to the Warrantheolders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warrantheolders after the date the relevant notice is announced or published, as the case may be.

**12. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warrantheolders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warrantheolders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantheolders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantheolders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantheolder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantheolder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
  - (ii) the closing price of the Underlying Shares on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**13. Termination for Force Majeure, Hedging Disruption Event, etc.**

- (a) *Force Majeure, Hedging Disruption Event etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Shares for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warranholders in accordance with Condition 11 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 13(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranholder in respect of each Structured Warrant held by such Warranholder equals to the fair market value of a Structured Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 11 – *Notices*.

**14. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further CBBCs so as to form a single series with the previous series of the Structured Warrants.

**15. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**16. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warranholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL *(Cont'd)***

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the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(x) European style non-collateralised cash settled CBBCs over a single index**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 14 – *Further Issues* below). Warrantheolders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants constitute general and unsecured contractual obligations of the Issuer’s company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantheolders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantheolders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantheolders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantheolders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantheolders are not entitled to any physical warrant certificates.

**2. Definitions**

In these Conditions, unless the context requires otherwise or unless otherwise defined:

“**Call Level**” means the pre-specified level of the Underlying Index as determined by the Issuer at which the Issuer must call the CBBCs before its Expiry Date subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 7 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Cash Settlement Amount**” means the amount of cash to be paid on valid exercise of the Structured Warrants in accordance with Condition 4(a) – *Mandatory Call Event* or Condition 5 – *Expiry Date*.

“**Category N CBBCs**” means a series of CBBCs where the Call Level is equal to the Exercise Level (as defined herein).

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Category R CBBCs”** means a series of CBBCs where the Call Level is different from the Exercise Level.

**“Day of Notification”** means the Market Day immediately following the day on which the Mandatory Call Event occurs.

**“Exercise Amount”** means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

**“Exercise Ratio”** means the number of Structured Warrants to which one (1) Underlying Index relates, as specified in the relevant Term Sheet.

**“Exercise Expenses”** means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

**“Highest Traded Level”** means, in respect of a series of callable bear certificates, the highest traded level of the Underlying Index during the MCE Valuation Period (as defined herein).

**“Hedging Disruption Event”** means if the Issuer determines that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer to wholly or partially establish, re-establish, substitute or maintain a relevant hedging transaction (**“Relevant Hedging Transaction”**) it deems necessary or desirable to hedge its obligations in respect of the CBBCs. The reasons for such determination by the Issuer may include, but are not limited to, the following:

- (a) any material illiquidity in the market for the Underlying Index;
- (b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority);
- (c) a material decline in the creditworthiness of a party with whom the Issuer have entered into any such Relevant Hedging Transaction; or
- (d) the general unavailability of:
  - (i) market participants who will agree to enter into a Relevant Hedging Transaction; or
  - (ii) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

**“Index Currency Amount”** means the amount of unit currency relating to one (1) integral point of the Underlying Index, as specified in the relevant Term Sheet.

**“Lowest Traded Level”** means in respect of a series of callable bull certificates, the lowest traded level of the Underlying Index during the MCE Valuation Period (as defined herein).

**“Mandatory Call Event”** means the first occurrence at any time before the CBBC’s Expiry Date where the transacted level of the Underlying Index is at or below (in respect of a callable bull certificate) or at or above (in respect of a callable bear certificate) the Call Level and upon which the CBBCs will be called by the Issuer.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**"Market Disruption Event"** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of a material number of shares comprising the Underlying Index or any material constituent security of the Underlying Index or the Structured Warrants, which includes but is not limited to the following events:

- (a) the occurrence or existence on any Market Day at the time by reference to which the Issuer determines the level of the relevant Underlying Index or the prices of the shares constituting the Underlying Index ("**Relevant Time**") for such Underlying Index or such shares constituting the Underlying Index or at any time during the one hour period that ends at the Relevant Time for such Underlying Index or such shares constituting the Underlying Index:
  - (i) of any suspension of a limitation imposed on trading such as:
    - (aa) the suspension or material limitation on the trading of a material number of the shares constituting the Underlying Index;
    - (bb) the suspension or material limitation on the trading of the shares constituting the Underlying Index on the relevant Securities Exchange;
    - (bb) the suspension or material limitation on relevant Securities Exchange on the trading of options contracts or futures contracts relating to the Underlying Index or shares relating to the Underlying Index on which such contracts are traded;
    - (cc) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount; or
  - (ii) of any event that disrupts or impairs (as determined by the Issuer) the ability of market participants in general to effect transactions in relation to or to obtain market levels for the Underlying Index or market prices such shares constituting the Underlying Index on the relevant Securities Exchange or to effect transactions in or obtain market quotes for options contracts or futures contracts on or relating to the relevant Underlying Index or such shares constituting the Underlying Index on the relevant Securities Exchange;
- (b) the closure on any Market Day of the relevant Securities Exchange prior to the scheduled closing time unless such earlier closing time is announced by such Securities Exchange or such related Securities Exchange, as the case may be, at least one half hour prior to:
  - (i) the actual closing time for the regular trading session on such Securities Exchange or such related Securities Exchange on such Market Day; or
  - (ii) the submission deadline (if applicable) for orders to be entered into the Securities Exchange or such related Securities Exchange system for execution on such Market Day,

whichever is earlier.

**"MCE Valuation Period"** means the period commencing from and including the time where Mandatory Call Event occurs and up to the end of the Next Trading Session (as defined herein) on the relevant Securities Exchange unless, if the Issuer determines, in its sole discretion that during MCE Valuation Period, a Market Disruption Event has occurred, then the Next Trading Session shall be postponed until the first succeeding trading session on

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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which there is no Market Disruption Event. In the event a Market Disruption Event happens resulting in the postponed Next Trading Session falling on or after the Expiry Date then:

- (a) the end of the last trading session on the Market Day immediately preceding the Expiry Date (the “**End of MCE Valuation Period**”) shall be deemed to be the MCE Valuation Period notwithstanding the Market Disruption Event; and
- (b) the Issuer shall determine the Lowest/Highest Traded Level (as the case may be) of the Underlying Index on the basis of its good faith estimate of such level that would have prevailed at the End of MCE Valuation Period but for the Market Disruption Event.

For avoidance of doubt, if there is a Market Disruption Event on any trading session during the MCE Valuation Period, all prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Lowest/Highest Traded Level (as the case may be) for the calculation of the Cash Settlement Amount.

“**Next Trading Session**” means the first trading session of the Securities Exchange on which the Underlying Index is quoted and/or traded after the occurrence of the Mandatory Call Event, which contains at least one (1) hour of continuous trading for the Underlying Index.

“**Settlement Date**” means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

“**Settlement Disruption Event**” refers to the occurrence of any one of the following events:

- (a) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (b) any other events beyond the Issuer’s control which results in:
  - (i) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (ii) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (iii) the principal clearing and settlement system of dealing in the Underlying Index being unable to settle payments or is unable to clear transfers of the Underlying Index; or
  - (iv) where the Underlying Index is denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying Index traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

“**Exercise Level**” means in relation to a particular series of Structured Warrants, the Exercise Level is the pre-specified level as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 7 – *Adjustments* below and as specified in the relevant Term Sheet.

## ANNEXURE I PRINCIPAL TERMS OF DEED POLL (*Cont'd*)

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“**Valuation Date**” means each of the five (5) Market Days prior to and including Market Day immediately before the Expiry Date, unless if the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8<sup>th</sup>) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer’s good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

### 3. Structured Warrants Rights and Exercise Expenses

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warrantheader, upon due exercise and on compliance with Condition 6 – *Exercise* below, the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 6 – *Exercise* below.
- (b) *Exercise Expenses.* Any charges or expenses including taxes or duties which are incurred in respect of or in connection with (i) Category R CBBCs, upon the occurrence of the Mandatory Call Event or (ii) exercise of the Structured Warrants in accordance with Condition 6(c) – *Automatic Exercise*, are to be borne by the Warrantheader. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost (“**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No recourse against Underlying Index Sponsor.* Warrantheaders have no claim against the Underlying Index Sponsor (including its agent(s) and delegate(s), as the case may be) for any mistake, error or omission in the calculation or compilation of the Underlying Index. The Issuer shall not be liable to the Warrantheaders for any losses, costs, expenses or charges incurred due to the mistake, error or omission by the Underlying Index Sponsor (including its agent(s) and delegate(s), as the case may be) in the calculation or compilation of the Underlying Index.

### 4. Mandatory Call Event and Revocation of Mandatory Call Event

- (a) *Mandatory Call Event.* Upon the occurrence of the Mandatory Call Event, the trading of CBBCs will cease immediately and the Issuer shall have no further obligation under the Structured Warrants except for the Cash Settlement Amount which would be payable by the Issuer (if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero), except otherwise stated in Condition 4(b) below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in RM, calculated as follows less Exercise Expenses:

In respect of Category R CBBCs,

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**


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(i) In the case of callable bull certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Lowest Traded Level} - \text{Exercise Level} \right] \times \text{Index Currency Amount} - \text{Exercise Expenses}$$

(ii) In the case of callable bear certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Exercise Level} - \text{Highest Traded Level} \right] \times \text{Index Currency Amount} - \text{Exercise Expenses}$$

Provided that the Issuer may, in its absolute discretion, pay a higher Cash Settlement Amount than the amount calculated in accordance with the above formula.

In the case of the Lowest/Highest Traded Level and Exercise Level are being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantheholders.

In respect of Category N CBBCs, Cash Settlement Amount is zero when Mandatory Call Event occurs.

For the avoidance of doubt, the Warrantheholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

(b) *Revocation of Mandatory Call Event.* The Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (i) system malfunction or other technical errors of the relevant Securities Exchange; or
- (ii) manifest errors caused by the relevant third party price source where applicable;

and

in each case, the Issuer shall take such steps as prescribed by the relevant Securities Exchange in the relevant rules and regulations or such course of action as mutually agreed between the Issuer and the relevant Securities Exchange as soon as reasonably practicable to alleviate the consequences resulting from the above (i) and (ii) to the extent practicable.

In respect of an Underlying Index located outside Malaysia:

- (i) the revocation of the Mandatory Call Event is communicated to the other party by 9.00 a.m. or such other time prescribed by the relevant Securities Exchange from time to time on the Day of Notification; and
- (ii) the Issuer and the relevant Securities Exchange mutually agree that such Mandatory Call Event is to be revoked on the Day of Notification.

(c) *Course of Actions.* On the occurrence of Mandatory Call Event, the Issuer shall unless otherwise permitted pursuant to or provided under the Listing Requirements:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (i) immediately notify Bursa Securities to suspend the trading of the CBBCs and such CBBCs will be delisted on the fourth (4<sup>th</sup>) Market Day after the Mandatory Call Event;
- (ii) announce the Mandatory Call Event and suspension to the Bursa Securities in accordance with Condition 11 – *Notices*; and
- (iii) announce the Cash Settlement Amount within one (1) Market Day from the end of the Next Trading Session after the Mandatory Call Event in accordance with Condition 11 – *Notices*.

**5. Expiry Date**

Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Structured Warrants which has not been automatically exercised in accordance to Condition 6(c) – *Automatic Exercise* below shall expire and all rights of the Warranholders and the Issuer’s obligations in respect of the Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

If in the Issuer’s absolute discretion, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Expiry Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference level and/or the exchange rate (if applicable) for the Expiry Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 7 – *Adjustments*.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in RM, calculated as follows less Exercise Expenses:

- (a) In the case of callable bull certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \begin{array}{l} \text{Closing Level} \\ - \text{Exercise Level} \end{array} \right] \times \text{Index Currency Amount} - \text{Exercise Expenses}$$

- (b) In the case of callable bear certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \begin{array}{l} \text{Exercise Level} \\ - \text{Closing Level} \end{array} \right] \times \text{Index Currency Amount} - \text{Exercise Expenses}$$

In the case of the Closing Level (as defined below) and the Exercise Level being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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determine to be appropriate prior to payment of the Cash Settlement Amount to Warranholders.

“**Closing Level**” in relation to the Underlying Index, on the Expiry Date, shall be determined as follows:

- (i) the closing level of the Underlying Index on the Market Day immediately before the Expiry Date; or
- (ii) the final settlement price for settling the corresponding spot month index futures contract immediately before the Expiry Date; or
- (iii) the average closing levels of the Underlying Index for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date (“**Valuation Period**”) and each of such five (5) Market Days shall be referred to as “**Valuation Date**” during the Valuation Period,

as specified by the relevant Term Sheet.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

For the Underlying Index which is quoted on a Securities Exchange outside Malaysia, the Closing Level and the Exercise Level may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

**6. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Mode of Exercise.* In respect of (i) Category R CBBCs, upon occurrence of Mandatory Call Event or (ii) Structured Warrants which are automatically exercised in accordance with Condition 6(c) – *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event, the Issuer shall pay the Warranholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warranholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the date of De-Listing (as defined herein) or Expiry Date (whichever is earlier). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warranholder, the cheque shall be delivered by ordinary post to the Warranholder’s address last recorded in the Record of Depositors at the Warranholder’s own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warranholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as “free securities” in accordance with the rules of Bursa Depository.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (c) *Automatic Exercise.* The Warranholders are not required to serve any notice of exercise. In the event there is no Mandatory Call Event, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrants shall cease and the Warranholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (d) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event. If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warranholders for any interest in respect of the amount due or any loss or damage that such Warranholder may suffer as a result of the existence of the Settlement Disruption Event.
- (e) *Notification on Expiry.* The Issuer shall notify the Warranholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**7. Adjustments**

The Underlying Index of the relevant Structured Warrants shall from time to time be adjusted in accordance with the following provisions:

- (a) *Successor for the Underlying Index sponsor calculates and reports Underlying Index.*

If the Underlying Index is:

- (i) not calculated and announced by the Underlying Index Sponsor but is calculated and published by a successor to the Underlying Index Sponsor ("**Successor Underlying Index Sponsor**") acceptable to the Issuer; or
- (ii) replaced by a successor index using, in the Issuer's determination, the same or substantially similar formula for and method of calculation as used in the calculation of the Underlying Index,

then the Underlying Index will be deemed to be the index so calculated and announced by the Successor Underlying Index Sponsor or that successor index, as the case may be.

- (b) *Modification and cessation of calculation of Underlying Index. If:*

- (i) on any Market Day the Underlying Index Sponsor or if applicable, the Successor Underlying Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating the Underlying

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Index or in any other way materially modifies the Underlying Index (other than modifications prescribed in that formula or method to maintain the Underlying Index in the event of changes in the constituent stocks, contracts or commodities and other routine events); or

- (ii) on any Market Day the Underlying Index Sponsor or if applicable, the Successor Underlying Index Sponsor fails to calculate and publish the Underlying Index (other than as a result of a Market Disruption Event) ("**Index Disruption**"),

then the Issuer may determine the Closing Level or Highest/Lowest Traded Level using, in lieu of a published level for the Underlying Index, the level for the Underlying Index as at that Market Day as determined by the Issuer in accordance with the formula for and method of calculating the Underlying Index last in effect prior to that change or failure, but using only those shares/commodities that comprised the Underlying Index immediately prior to that change, modification, cancellation or failure (other than those shares that have since ceased to be listed on the relevant Securities Exchange). Alternatively, the Issuer may determine the reference level using the closing level of the corresponding spot-month index futures contract, if available.

- (c) On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.
- (d) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (e) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 11 – *Notices* within five (5) Market Days of the adjustment being made.

**8. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back the Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warrantheholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warrantheholders, unless otherwise permitted by applicable laws and requirements.

**9. Meetings of Warrantheholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warrantheholders.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Structured Warrants; or
- (b) at least five (5) Warranholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**10. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of laws or rules or regulations; or
  - (v) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**11. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**12. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warranholders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warranholders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warranholder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warranholder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (ii) the closing level of the Underlying Index on the Market Day immediately before the above events shall form the Closing Level for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**13. Termination for Force Majeure, Hedging Disruption Event, etc.**

- (a) *Force Majeure, Hedging Disruption Event, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond its control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Index for any reason, the Issuer may at its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warranholders in accordance with Condition 11 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 13(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranholder in respect of each Structured Warrant held by such Warranholder equals to the fair market value of a Structured Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Index related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 11 – *Notices*.

**14. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further CBBCs so as to form a single series with the previous series of the Structured Warrants.

**15. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**16. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(xi) European style non-collateralised cash settled CBBCs over an ETF**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Structured Warrants are issued in registered form and constituted by the Deed Poll (the expression “**Structured Warrants**” in this context shall, unless otherwise requires, include any further Structured Warrants issued pursuant to Condition 14 – *Further Issues* below). Warrantholders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Structured Warrants and the Issuer’s settlement obligation in respect of the Structured Warrants will constitute general and unsecured contractual obligations of the Issuer’s Company and of no other person and the Structured Warrants will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions).
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Structured Warrants shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Structured Warrants.
- (d) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warrantholders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warrantholders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warrantholders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warrantholders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warrantholders are not entitled to any physical warrant certificates.

**2. Definitions**

In these Conditions, unless the context requires otherwise or unless otherwise defined:

“**Call Price**” means the pre-specified price of the Underlying ETF as determined by the Issuer at which the Issuer must call the CBBCs before its Expiry Date subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 7 – *Adjustments* below and as specified in the relevant Term Sheet.

“**Cash Settlement Amount**” means the amount of cash to be paid on valid exercise of the Structured Warrants in accordance with Condition 4(a) – *Mandatory Call Event* or Condition 5 – *Expiry Date*.

“**Category N CBBCs**” means a series of CBBCs where the Call Price is equal to the Exercise Price (as defined herein).

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Category R CBBCs”** means a series of CBBCs where the Call Price is different from the Exercise Price.

**“Day of Notification”** means the Market Day immediately following the day on which the Mandatory Call Event occurs.

**“Exercise Amount”** means the number of Structured Warrants held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

**“Exercise Ratio”** means the number of Structured Warrants to which one (1) Underlying ETF relates, as specified in the relevant Term Sheets.

**“Exercise Expenses”** means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

**“Exercise Price”** means in relation to a particular series of Structured Warrants, the exercise price is the pre-specified price as determined by the Issuer at which the Warrantholder may exercise the right under such Structured Warrants subject to any adjustment as may be necessary in accordance with the Adjustment Conditions set out in Condition 7 – *Adjustments* below and as specified in the relevant Term Sheet.

**“Hedging Disruption Event”** means if the Issuer determines that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer to wholly or partially establish, re-establish, substitute or maintain a relevant hedging transaction (**“Relevant Hedging Transaction”**) it deems necessary or desirable to hedge its obligations in respect of the CBBCs. The reasons for such determination by the Issuer may include, but are not limited to, the following:

- (a) any material illiquidity in the market for the Underlying ETF;
- (b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority);
- (c) a material decline in the creditworthiness of a party with whom the Issuer have entered into any such Relevant Hedging Transaction; or
- (d) the general unavailability of:
  - (i) market participants who will agree to enter into a Relevant Hedging Transaction; or
  - (ii) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

**“Highest Traded Price”** means in respect of a series of callable bear certificates, the highest traded price of the Underlying ETF during the Main Trading Phase of MCE Valuation Period (as defined herein) which the opening and closing prices are not to be taken into account.

**“Lowest Traded Price”** means in respect of a series of callable bull certificates, the lowest traded price of the Underlying ETF during the Main Trading Phase of MCE Valuation Period (as defined herein) which the opening and closing prices are not to be taken into account.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**“Main Trading Phase”** means a trading phase as described in Rule 701.5A of the Rules of the Bursa Securities or the rules of the respective Securities Exchange where the Underlying ETF is quoted and/or traded as specified in the relevant Term Sheet.

**“Mandatory Call Event”** means the first occurrence at any time before the CBBC’s Expiry Date where the transacted price of the Underlying ETF is at or below (in respect of a callable bull certificate) or at or above (in respect of a callable bear certificate) the Call Price and upon which the CBBCs will be called by the Issuer.

**“Market Disruption Event”** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying ETF or the Structured Warrants, which includes but is not limited to the following events:

- (a) **“Trading Disruption”** means
  - (i) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the Underlying ETF or the Structured Warrants; or
  - (ii) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
- (b) **“Exchange Disruption”** means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
- (c) **“Early Closure”** means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.

**“MCE Valuation Period”** means the period commencing from and including the time where Mandatory Call Event occurs and up to the end of the Next Trading Session (as defined herein) on the relevant Securities Exchange unless, if the Issuer determines, in its sole discretion that during MCE Valuation Period, a Market Disruption Event has occurred, then the Next Trading Session shall be postponed until the first succeeding trading session on which there is no Market Disruption Event. In the event a Market Disruption Event happens resulting in the postponed Next Trading Session falling on or after the Expiry Date then:

- (a) the end of the last trading session on the Market Day immediately preceding the Expiry Date (the **“End of MCE Valuation Period”**) shall be deemed to be the MCE Valuation Period notwithstanding the Market Disruption Event; and
- (b) the Issuer shall determine the Lowest/Highest Traded Price (as the case may be) of the Underlying ETF on the basis of its good faith estimate of such price that would have prevailed at the End of MCE Valuation Period but for the Market Disruption Event.

For avoidance of doubt, if there is a Market Disruption Event on any trading session during the MCE Valuation Period, all prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Lowest/Highest Traded Price (as the case may be) for the calculation of the Cash Settlement Amount.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**"Next Trading Session"** means the first trading session of the Securities Exchange on which the Underlying ETF is quoted and/or traded after the occurrence of the Mandatory Call Event, which contains at least one (1) hour of continuous trading for the Underlying ETF.

**"Settlement Date"** means a Market Day and a day upon which payment is made to the Warrantholder, on which commercial banks in Malaysia are open for business during the normal business hours.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (a) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (b) any other events beyond the Issuer's control which results in:
  - (i) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (ii) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (iii) the principal clearing and settlement system of dealing in the Underlying ETF being unable to settle payments or is unable to clear transfers of the Underlying ETF; or
  - (iv) where the Underlying ETF is denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying ETF traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

**"Valuation Date"** means each of the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date, unless if the Issuer determines, in its sole discretion that on any Valuation Date, a Market Disruption Event has occurred, then the Valuation Date shall be postponed until the first succeeding Market Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a day that already is or is deemed to be a Valuation Date. If the Market Disruption Event continues to occur up to eighth (8th) Market Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and
- (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**"VWAP"** means volume weighted average price.

**3. Structured Warrants Rights and Exercise Expenses**

- (a) *Structured Warrants Rights.* Every Exercise Amount (as defined herein) of Structured Warrants entitles the Warrantholder, upon due exercise and on compliance with Condition 6 – *Exercise* below, the right to receive the payment by the Issuer of the



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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Cash Settlement Amount (if any) in the manner set out in Condition 6 – *Exercise* below.

- (b) *Exercise Expenses.* Any charges or expenses including taxes or duties which are incurred in respect of or in connection with (i) Category R CBBCs, upon the occurrence of the Mandatory Call Event or (ii) exercise of the Structured Warrants in accordance with Condition 6(c) – *Automatic Exercise*, are to be borne by the Warrantheader. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost (“**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warrantheaders to the delivery of any Underlying ETF, is not secured by the Underlying ETF and does not confer on the Warrantheaders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying ETF or otherwise) which a holder of the Underlying ETF may have.

**4. Mandatory Call Event and Revocation of Mandatory Call Event**

- (a) *Mandatory Call Event.* Upon the occurrence of the Mandatory Call Event, the trading of CBBCs will cease immediately and the Issuer shall have no further obligation under the Structured Warrants except for the Cash Settlement Amount which would be payable by the Issuer (if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero), except otherwise stated in Conditions 4(b) below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in RM, calculated as follows less Exercise Expenses:

In respect of Category R CBBCs,

- (i) In the case of callable bull certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Lowest Traded Price} - \text{Exercise Price} \right] - \text{Exercise Expenses}$$

- (ii) In the case of callable bear certificates:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times \left[ \text{Exercise Price} - \text{Highest Traded Price} \right] - \text{Exercise Expenses}$$

Provided that the Issuer may, in its absolute discretion, pay a higher Cash Settlement Amount than the amount calculated in accordance with the above formula.

In respect of Category N CBBCs, Cash Settlement Amount is zero when Mandatory Call Event occurs.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

In the case of the Highest/Lowest Traded Price and Exercise Price are being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warranholders.

(b) *Revocation of Mandatory Call Event.* The Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (i) system malfunction or other technical errors of the relevant Securities Exchange; or
- (ii) manifest errors caused by the relevant third party price source where applicable; and

in each case, the Issuer shall take such steps as prescribed by the relevant Securities Exchange in the relevant rules and regulations or such course of action as mutually agreed between the Issuer and the relevant Securities Exchange as soon as reasonably practicable to alleviate the consequences resulting from the above (i) and (ii) to the extent practicable.

(c) *Course of Actions.* On the occurrence of Mandatory Call Event, the Issuer shall unless otherwise permitted pursuant to or provided under the Listing Requirements:

- (i) immediately notify Bursa Securities to suspend the trading of the CBBCs and such CBBCs will be delisted on the fourth (4<sup>th</sup>) Market Day after the Mandatory Call Event; and
- (ii) announce the Mandatory Call Event and suspension to the Bursa Securities in accordance with Condition 11 – *Notices*; and
- (iii) announce the Cash Settlement Amount within one (1) Market Day from the end of the Next Trading Session after the Mandatory Call Event in accordance with Condition 11 – *Notices*.

**5. Expiry Date**

Such date of expiry of a particular Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, on which any Structured Warrant which has not been automatically exercised in accordance to Condition 6(c) – *Automatic Exercise* below shall expire and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrants shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

If in the Issuer's absolute discretion, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Market Day following the original Expiry Date, then Expiry Date shall be:

- (i) that eighth (8<sup>th</sup>) Market Day; and

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (ii) the Issuer shall determine in its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for the Expiry Date by determining the price of the Underlying ETFs and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 7 – *Adjustments*.

The “**Cash Settlement Amount**” in respect of the Exercise Amount shall be an amount in cash (if greater than zero) payable in the Settlement Currency, calculated as follows less Exercise Expenses:

- (a) In the case of callable bull certificate:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Closing Price} - \text{Exercise Price}) - \text{Exercise Expenses}$$

- (b) In the case of callable bear certificate:

$$\text{Cash Settlement Amount} = \text{Exercise Amount} \times \frac{1}{\text{Exercise Ratio}} \times (\text{Exercise Price} - \text{Closing Price}) - \text{Exercise Expenses}$$

In the case of the Closing Price (as defined below) and the Exercise Price being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to the Warrantholders.

“**Closing Price**” in relation to the Underlying ETF, on the Expiry Date, shall be determined as follows:

- (a) the average daily VWAP of the Underlying ETF for five (5) Market Days prior to and including Market Day immediately before the Expiry Date (“**Valuation Period**”) and each of such five (5) Market Days shall be referred to as “**Valuation Date**”; or
- (b) the average closing price of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) during the Valuation Period; or
- (c) the closing price of the Underlying ETF on the Market Day immediately before the Expiry Date,

as specified by the relevant Term Sheet.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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For the Underlying ETFs which are quoted on Securities Exchanges outside Malaysia, the Closing Price and the Exercise Price may be quoted in a currency other than RM, as specified in the relevant Term Sheet.

**6. Exercise**

- (a) *Exercise Amount.* The number of Structured Warrants to be exercised, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.
- (b) *Mode of Exercise.* In respect of (i) Category R CBBCs, upon occurrence of the Mandatory Call Event or (ii) Structured Warrants which are automatically exercised in accordance with Condition 6(c) – *Automatic Exercise* below and in accordance with these Conditions and when there is no Settlement Disruption Event, the Issuer shall pay the Warranholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warranholder or such other mode as may be approved by Bursa Securities and determined by the Issuer no later than seven (7) Market Days following the date of De-Listing (as defined herein) or Expiry Date (whichever is earlier). In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warranholder, the cheque shall be delivered by ordinary post to the Warranholder's address last recorded in the Record of Depositors at the Warranholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warranholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as "free securities" in accordance with the rules of Bursa Depository.

- (c) *Automatic Exercise.* The Warranholders are not required to serve any notice of exercise. In the event there is no Mandatory Call Event, all Structured Warrants shall be deemed to have been exercised automatically on the Expiry Date at 9.00 a.m. In the event the Cash Settlement Amount is less than or equal to zero, all Structured Warrants shall be deemed to have expired on the Expiry Date and all rights of the Warranholders and the Issuer's obligations with respect to such Structured Warrants shall cease and the Warranholders shall not be entitled to receive any payment from the Issuer in respect of the Structured Warrants.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (d) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount is affected by the occurrence of a Settlement Disruption Event. If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warranholders for any interest in respect of the amount due or any loss or damage that such Warranholder may suffer as a result of the existence of the Settlement Disruption Event.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (e) *Notification on Expiry.* The Issuer shall notify the Warrantheolders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**7. Adjustments**

- (a) Following the declaration by the manager or trustee of the Underlying ETF of the terms of any Potential Adjustment Event (as defined in Condition 2 - *Definitions*), the Issuer will determine whether such a Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying ETF and, if so, the Issuer will:
- (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Structured Warrants as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
  - (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange on which the relevant Underlying ETF are listed and quoted, unless otherwise specified by the Issuer.

“**Potential Adjustment Event**” means any of the following:

- (i) a subdivision or consolidation of the Underlying ETF (unless a Merger Event (as defined herein)) or a free distribution or dividend of such Underlying ETF to existing holders by way of bonus, capitalisation or similar issue;
  - (ii) a rights issue or bonus issue of the Underlying ETF; or
  - (iii) a special distribution payment in cash of the Underlying ETF; or
  - (iv) any other event which may have, in the Issuer's opinion a dilutive or concentrative or other effect on the theoretical value of relevant Underlying ETF.
- (b) The respective formula for the relevant Potential Adjustment Event are as follows:
- (i) *Subdivisions or Consolidations.* If and whenever the Underlying ETF shall subdivide its ETF Units or any class of its ETF Units into a greater number of units (“**Subdivision**”) or consolidate the ETF Units or any class of its outstanding ETF Units into a smaller number of units (“**Consolidation**”), Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad x \quad \frac{P}{N}$$

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(ii) **Adjusted Exercise Price =**

$$X \times \frac{P}{N}$$

Where:

X: Existing Exercise Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

(ii) *Rights Issue.* If and whenever the Underlying ETF shall, by way of Rights (as defined below), offer new ETF Units for subscription at a fixed subscription price to the holders of existing Underlying ETF pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio, Exercise Price and/or the Call Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

(i) **Adjusted Exercise Ratio =** 
$$\frac{E}{\text{Adjustment Factor}}$$

(ii) **Adjusted Exercise Price =** 
$$\frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Exercise Ratio immediately prior to the Rights Issue.

X: Existing Exercise Price immediately prior to the Rights Issue.

S: Cum-rights units determined by the closing price on the Securities Exchange on the last Market Day on which Underlying ETF are traded on a cum-rights basis.

R: Subscription price per Underlying ETF as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.

M: Number of new Underlying ETF (whether a whole or a fraction) per existing Underlying ETF each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing Underlying ETF or needed to acquire one new Underlying ETF (as the case may be) which are given to the holders of existing Underlying ETF to subscribe at a fixed subscription price for new Underlying ETF pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

(ii) *Bonus Issue.* If and whenever the Underlying ETF shall make a new issue of Underlying ETF credited as fully paid to the holders of the Underlying ETF generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying ETF or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (“**Bonus Issue**”), the Exercise Ratio, Exercise Price and/or Call Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Exercise Price immediately prior to the Bonus Issue.

N: Number of additional Underlying ETF (whether a whole or a fraction) received by a holder of existing Underlying ETF for each Underlying ETF held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determine appropriate to account for the dilutive effect of the Bonus Issue.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) If the Underlying ETF of the relevant Structured Warrants undertake a capital distribution in cash whether in the form of special dividend or otherwise during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying ETF to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

- (ii) **Adjusted Exercise Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the Underlying ETF on the last Market Day on which the Underlying ETF is traded on a cum-entitlement basis

D: The special distribution amount per one (1) Underlying ETF held.

Y: Existing Exercise Price immediately prior to the capital repayment/special dividend.

E: Existing Exercise Ratio immediately prior to the special distribution payment.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the special distribution payment.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (c) *Extraordinary Events.* If a Merger Event, De-Listing, Insolvency (as defined herein) or such other additional disruption event occurs in relation to the relevant Underlying ETF, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, De-Listing, Insolvency or



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, De-Listing, Insolvency or such other additional disruption event, made by the Securities Exchange;

- (ii) cancel the CBBCs by giving notice to the Warranholders in accordance with Condition 11 – *Notices* if the CBBCs are so cancelled, the CBBC held by such Warranholder which amount shall be the fair market value of a CBBC taking into account the Merger Event, De-Listing, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying ETF related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 11– *Notices*; or
- (iii) following any adjustment to the settlement terms of options on the relevant Underlying ETF on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, De-Listing, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, De-Listing, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warranholders in accordance with Condition 11 – *Notices* stating the occurrence of the Merger Event, De-Listing, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warranholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, De-Listing, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**De-Listing**” means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying ETF ceases (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Underlying ETF:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (1) all the ETF Units are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying ETF become legally prohibited from transferring them.

**"Merger Date"** means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**"Merger Event"** means if it is announced that there may or will be a merger or consolidation of the Underlying ETF into any other fund, other collective investment scheme or otherwise or that all or substantially all of its assets are or may be sold or transferred.

- (d) *Termination or Liquidation of Trustee.* In the event of a termination or the liquidation or dissolution of the trustee of the Underlying ETF (including any successor trustee appointed from time to time) ("**Trustee**") (in its capacity as trustee of the Underlying ETF) or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee's undertaking, property or assets, all unexercised CBBCs will lapse and shall cease to be valid for any purpose. In the case of a termination, where a replacement Trustee is not appointed, the unexercised CBBCs will lapse and shall cease to be valid on the effective date of the termination, in the case of a voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee's undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.
- (e) *Other Adjustments.* Except as provided in this Condition 7 – *Adjustments*, adjustments will not be made in any other circumstances, including, without limitation:
  - (i) the payment of income distribution or ETF Units (as the case may be) by the Underlying ETF; or
  - (ii) in-kind creation of ETF Units; or
  - (iii) in-kind redemption of ETF Units.

However, the Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the CBBCs and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdiction).

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (f) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 11 – *Notices* within five (5) Market Days of the adjustment being made.

**8. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Structured Warrants at any price in the open market or by tender or by private treaty, whether in the capacity of a fiduciary or otherwise. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Structured Warrants and become the Warrantholders of and are beneficially entitled to the Structured Warrants, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Structured Warrants held in any meeting of the Warrantholders, unless otherwise permitted by applicable laws and requirements.

**9. Meetings of Warrantholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warrantholders.

Any resolutions to be passed in a meeting of the Warrantholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) after the Issuer's receipt at its registered office of an applicable by:

- (a) not less than one hundred (100) Warrantholders of each series of Structured Warrants; or
- (b) at least five (5) Warrantholders of each series of Structured Warrants holding in aggregate not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series,

whichever is lesser, summon a meeting of the Warrantholders.

The quorum at any such Warrantholders' meeting for passing an Ordinary Resolution will be two (2) or more Warrantholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Structured Warrants of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warrantholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Structured Warrants of each series, or at any adjourned meeting two (2) or more Warrantholders or proxies whatever the number of Structured Warrant so held or represented.

A resolution will be a Special Resolution if passed at a meeting of Warrantholders of a series of Structured Warrants duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**10. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (iv) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**11. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**12. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of the Issuer reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Structured Warrants

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Structured Warrants.

- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Structured Warrants so that the rights of the Warrantholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warrantholders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warrantholders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warrantholder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warrantholder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely;
  - (ii) the closing price of the Underlying ETF on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**13. Termination for Force Majeure, Hedging Disruption Event etc.**

- (a) *Force Majeure, Hedging Disruption Event etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Structured Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying ETF for any reason, the Issuer may in its discretion and without obligation terminate the Structured Warrants early by giving notice to the Warrantheolders in accordance with Condition 11 – *Notices*.

- (b) *Termination.* If the Issuer terminates the Structured Warrants early pursuant to Condition 13(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Structured Warrant held by such Warrantheolder equals to the fair market value of a Structured Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying ETF related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 11 – *Notices*.

**14. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further CBBCs so as to form a single series with the previous series of the Structured Warrants.

**15. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warrantheolder and such Warrantheolder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**16. Governing Law**

The Structured Warrants and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warrantheolder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**(xii) Bull ELS**

**1. Form, Status, Title and Administration**

- (a) *Form.* The Bull ELS are issued in registered form and constituted by the Deed Poll (the expression “**Bull ELS**” in this context shall, unless otherwise requires, include any further Bull ELS issued pursuant to Condition 12 – *Further Issues* below). Warranholders are entitled to the benefit of, are subject to and are deemed to have notice of all the conditions in the Deed Poll.
- (b) *Status.* The Bull ELS and the Issuer’s settlement obligation in respect of the Bull ELS will constitute the Issuer’s general and unsecured contractual obligations of the Issuer’s company and of no other person and the Bull ELS will rank equally among themselves and *pari passu* with all of the Issuer’s other present and future unsecured and subordinated obligations (save for statutorily preferred exceptions). The Issuer’s obligation under the Bull ELS is not a deposit liability nor a debt of any kind.
- (c) *Title.* Each person who is for the time being shown in the records maintained by Bursa Depository as entitled to a particular number of Bull ELS shall be treated by the Issuer and the Warrant Registrar as the holder and absolute owner of such number of Bull ELS.
- (d) *Rights.* The Bull ELS do not confer Warranholders any rights to the Underlying Shares, until and unless, the Underlying Shares have been delivered by the Issuer to the Warranholders in accordance with the Conditions. In addition, Bull ELS over foreign Underlying Shares are cash-settled and Warranholders of such Bull ELS do not have any rights to the Underlying Shares.
- (e) *Administration.* Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Warrant Registrar to notify the Bursa Depository of the names of the Warranholders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the Warranholders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrants Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Warranholders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right, at its absolute discretion and without any obligation whatsoever to the Warranholders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Warranholders are not entitled to any physical warrant certificates

**2. Rights and Expenses**

- (a) *Bull ELS Rights.* The Bull ELS entitles the Warranholder the right to receive the payment by the Issuer of the Cash Settlement Amount (as defined below) or delivery of the Physical Settlement Amount (as defined below) depending on Condition 4 – *Automatic Exercise and Settlement* below.

The “**Cash Settlement Amount**” in respect of the Exercise Amount (as defined herein) shall be an amount in cash payable in the Settlement Currency, calculated as follows less Exercise Expenses:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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$$\text{Cash Settlement Amount} = (\text{Exercise Amount} \times \text{Strike Price})$$

For the Underlying Shares which are quoted on Securities Exchanges outside Malaysia, the Strike Price may be quoted in a currency other than RM, as specified in the relevant Term Sheet. In the case of the Strike Price is being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warrantheholders.

For the avoidance of doubt, the Warrantheholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

**“Exercise Amount”** means the number of Bull ELS held, which may only be exercised in board lots or integral multiples thereof, as specified in the relevant Term Sheet. One (1) board lot comprises one hundred (100) Structured Warrants.

**“Exercise Expenses”** means charges or expenses including taxes or duties which are incurred in respect of or in connection with the exercise of the Structured Warrants. Such expenses shall include without limitation any transaction fee charged by Bursa Depository, stamp duty, processing fee charged by Warrant Registrar and administrative cost.

The **“Physical Settlement Amount”** means in respect of the number of Bull ELS held on the Expiry Date, the number of Underlying Shares to be delivered to the Warrantheholder.

**“Strike Price”** means in relation to a particular series of Bull ELS, the strike price is the pre-specified price as determined by the Issuer and as specified in the relevant Term Sheet.

**“Issue Price”** means such price in percentage (%) at a discount to the Strike Price which is payable by the Warrantheholder on the Payment Date (as defined below) and is pre-determined by the Issuer and as specified in the relevant Term Sheet.

**“Spot Price”** means the market price of the Underlying Shares on the price fixing day before the Bull ELS is issued as determined by the Issuer and as specified in the relevant Term Sheet.

**“Yield-to-maturity”** being the annualised yield during the entire holding period of the Bull ELS, calculated as set out below:

$$\text{Yield To Maturity} = \frac{(\text{Strike Price} - \text{Issue Price})}{\text{Issue Price}} \times \frac{365}{(\text{Settlement Date} - \text{Payment Date})} \times 100\%$$

**“Settlement Date”** means a Market Day and a day upon which payment is made to the Warrantheholder, on which commercial banks in Malaysia are open for business during the normal business hours.



## ANNEXURE I PRINCIPAL TERMS OF DEED POLL (*Cont'd*)

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**“Payment Date”** means such date to be determined by the Issuer, where the Warrantholder shall make payment to the Issuer for the Subscription Amount (as defined below), and as specified in the relevant Term Sheet.

**“Subscription Amount”** is the amount payable by the Warrantholder for the subscription of the Bull ELS which is calculated based on the number of Underlying Shares to be subscribed multiplied by the Issue Price as determined by the Issuer.

**“Market Disruption Event”** means the occurrence or existence of an event where it is not possible to obtain market prices in respect of the Underlying Shares or the Structured Warrants, which includes but is not limited to the following events:

- (i) **“Trading Disruption”**, means
    - (a) any suspension of or limitation imposed on trading by Bursa Securities or such relevant Securities Exchange, or by reason of movements in price exceeding limits permitted by Bursa Securities or such relevant Securities Exchange relating either to the Underlying Shares or the Structured Warrants; or
    - (b) the closing of the Bursa Securities or such relevant Securities Exchange or a disruption to trading on the Bursa Securities or such relevant Securities Exchange if that disruption occurs and/or exists, and is as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism; or
  - (ii) **“Exchange Disruption”**, means any event that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values for any share transactions on Bursa Securities or such relevant Securities Exchange; or
  - (iii) **“Early Closure”**, means closure of Bursa Securities or such relevant Securities Exchange prior to its scheduled closing time.
- (b) *Exercise Expenses.* An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount to the extent available.
- (c) *No rights.* The purchase of Structured Warrants does not entitle the Warrantholders to the delivery of any Underlying Shares, is not secured by the Underlying Shares and do not confer on the Warrantholder any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Shares or otherwise) which a holder of the Underlying Shares may have.

### 3. Expiry Date

Such date of expiry of a particular Bull ELS to be determined by the Issuer and as specified in the relevant Term Sheet, after which any Bull ELS which has not been automatically exercised in accordance to Condition 4(a) – *Automatic Exercise* below shall expire and all rights of the Warrantholders and the Issuer's obligations with respect to each Bull ELS shall cease. If the Expiry Date is not a Market Day, then the Expiry Date shall fall on the next succeeding Market Day.

### 4. Automatic Exercise and Settlement

- (a) *Automatic Exercise.* The Bull ELS will be automatically exercised at 9.00 a.m. on the Expiry Date (without the Warrantholder having to deliver a valid Exercise Notice and

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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without notice of automatic exercise being given by the Issuer to the Warrantholder) and the Issuer shall pay the Cash Settlement Amount or deliver the Physical Settlement Amount, as the case may be, to the Warrantholder in accordance with Condition 4(b) - *Settlement* below.

For the avoidance of doubt, the Warrantholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

(b) *Settlement.* The Bull ELS give the Warrantholder the right to receive from the Issuer, on the Expiry Date, either the Cash Settlement Amount (less all Exercise Expenses) or the Physical Settlement Amount, as the case may be, as follows:

(i) if the Closing Price (as defined below) of the Underlying Shares is equal to or exceeds the Strike Price, the Warrantholder shall be entitled to the Cash Settlement Amount calculated as set out below, less all Exercise Expenses:

“**Closing Price**” in relation to the Bull ELS as specified in the relevant Term Sheet, means the closing price calculated by reference to either:

- (aa) the average daily VWAP of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (bb) the average closing price of the Underlying Shares (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (cc) the closing price of the Underlying Shares on the Market Day immediately before the Expiry Date.

If the Underlying Shares are suspended on the Expiry Date, the Closing Price shall be the last quoted price of such Underlying Shares immediately before the suspension.

$$\text{Cash Settlement Amount} = (\text{Exercise Amount} \times \text{Strike Price}) - \text{Exercise Expenses}$$

Unless there is a Settlement Disruption Event (as defined herein), the Issuer shall pay the Warrantholder the Cash Settlement Amount (if any). The aggregate Cash Settlement Amount (less Exercise Expenses) shall be paid by cheque drawn in favour of the Warrantholder or such other mode as may be approved by Bursa Securities and as determined by the Issuer no later than seven (7) Market Days following the Expiry Date. In the event the Cash Settlement Amount is paid by cheque drawn in favour of the Warrantholder, the cheque shall be delivered by ordinary post to the Warrantholder's address last recorded in the Record of Depositors at the Warrantholder's own risk.

The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points of the Relevant Currency. The amount of such Cash

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Settlement Amount shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment in accordance with these Conditions.

The Issuer shall not allow the Warrantholder to exercise the Structured Warrants unless the Structured Warrants are or have been designated as “free securities” in accordance with the rules of Bursa Depository.

For the Underlying Shares which are quoted on Securities Exchange outside Malaysia, the Strike Price may be quoted in currency other than RM, as specified in the relevant Term Sheet. In the case of the Strike Price is being quoted in a currency other than RM (as specified in the relevant Term Sheet), the Cash Settlement Amount shall be payable in the Settlement Currency, converted at the prevailing exchange rate as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate prior to payment of the Cash Settlement Amount to Warranholders.

- (ii) If the Closing Price of the Underlying Shares is below the Strike Price, the Warranholders shall be entitled to the Physical Settlement Amount on the Expiry Date.

If a books closure date has been declared by the Underlying Company and trading in the Underlying Shares is on a “cum-entitlement” basis on the Expiry Date, the Underlying Shares to be delivered by the Issuer to the Warrantholder upon the Automatic Exercise of the Bull ELS (set out in Condition 4(a) – *Automatic Exercise* above) shall also be on a “cum-entitlement” basis.

Unless there is a Settlement Disruption Event (as described herein), the Issuer shall deliver the Physical Settlement Amount by crediting the relevant number of the Underlying Shares in respect of the number of Bull ELS held by the Warrantholder to the Warrantholder’s securities accounts, and despatch the notice of transfer to the Warrantholder within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority.

The Issuer shall be discharged from its obligation to deliver the relevant Underlying Shares to the Warranholders upon despatching of the odd lots (if any) to the Warranholders in accordance with these Conditions.

In the event the Issuer is unable to deliver the Underlying Shares, the Issuer shall pay the Warranholders the Cash Settlement Amount for the Bull ELS calculated as set out below in the Settlement Currency, less Exercise Expenses:

$$\text{Cash Settlement Amount} = (\text{Exercise Amount} \times \text{Closing Price}) - \text{Exercise Expenses}$$

The events that would result in the Issuer being unable to deliver the Underlying Shares are the liquidation, dissolution or winding-up of the Underlying Company, or the Underlying Shares are suspended or have been delisted on the Expiry Date. Upon the occurrence of any of these events, the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Issuer will make the necessary announcement prior to the Expiry Date, that the Bull ELS shall be cash settled.

If the Warranholders are entitled to receive odd lots of the Underlying Shares upon the settlement of the Bull ELS on the Settlement Date, the Issuer shall pay the Warranholders cash in place of the odd lots.

For the avoidance of doubt, the Warranholder shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

- (c) *Settlement Disruption.* The Issuer's ability to determine and deliver the Cash Settlement Amount or the Physical Settlement Amount (as the case may be) is affected by the occurrence a Settlement Disruption Event.

**"Settlement Disruption Event"** refers to the occurrence of any one of the following events:

- (i) when the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or
- (ii) any other events beyond the Issuer's control which results in:
  - (aa) the inability to procure transfer of funds electronically to a designated bank account for the purpose of payment of the Cash Settlement Amount or the cash settlement for odd lots; or
  - (bb) the inability to obtain market price or exchange rate for the purpose of calculating Cash Settlement Amount or the cash equivalent of Physical Settlement Amount due to any reasons, including a Market Disruption Event; or
  - (cc) the principal clearing and settlement system of dealing in the Underlying Shares being unable to settle payments or is unable to clear transfers of the Underlying Shares ; or
  - (dd) where the Underlying Shares denominated in the Relevant Currency, the inability to convert proceeds from the settlement of any of the Underlying Shares traded into the Settlement Currency or inability to obtain exchange rate for the Relevant Currency.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Warranholders for any interest in respect of the amount due or any loss or damages that such Warranholders may suffer as a result of the existence of a Settlement Disruption Event.

- (d) *Notification on Expiry.* The Issuer shall notify the Warranholders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 9 – *Notices* stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**5. Adjustments**

(a) Following the declaration by an Underlying Company of the terms of any Potential Adjustment Event (as defined herein), the Issuer will determine whether such a Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Underlying Share and, if so, the Issuer will:

- (i) make the corresponding adjustment, if any, to any one or more of the conditions of the Bull ELS as the Issuer determines appropriate to account for that dilutive or concentrative or other effect; and
- (ii) determine the effective date of that adjustment.

The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustments in respect of such a Potential Adjustment Event made by Bursa Securities and/or such relevant Securities Exchange determined by the Issuer on which the shares constituting the Underlying Shares are listed and quoted, unless otherwise specified by the Issuer.

**“Potential Adjustment Event”** means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Shares (unless a Merger Event (as defined herein)) or a free distribution or dividend of such Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a call by the Underlying Company in respect of relevant Underlying Shares that are not fully paid;
- (iii) a repurchase or buy-back by the Underlying Company of relevant Underlying Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (iv) a rights issue or bonus issue of the Underlying Shares;
- (v) a capital repayment in cash whether in the form of a special dividend or otherwise pursuant to the Act; or
- (vi) any other event which may have, in the Issuer’s opinion a dilutive or concentrative or other effect on the theoretical value of relevant Underlying Shares.

(b) The respective formula for the relevant Potential Adjustment Event are as follows:

- (i) *Subdivisions or Consolidations.* If and whenever the Underlying Company shall subdivide its Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a greater number of shares (“**Subdivision**”) or consolidate the Underlying Shares or any class of its outstanding share capital comprised of the Underlying Shares into a smaller number of shares (“**Consolidation**”), Strike Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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(i) **Adjusted Exercise Ratio =**

$$E \times \frac{P}{N}$$

(ii) **Adjusted Exercise Price =**

$$X \times \frac{P}{N}$$

Where:

X: Existing Strike Price immediately prior to the Subdivision or Consolidation

N: The revised number of issued Shares after the Subdivision or Consolidation.

P: The existing number of issued Shares immediately prior to the Subdivision or Consolidation.

E: Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Strike Price as the Issuer determine appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Strike Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(ii) *Rights Issue.* If and whenever the Underlying Company shall, by way of Rights (as defined below), offer new shares for subscription at a fixed subscription price to the holders of existing Underlying Shares pro rata to existing holdings ("**Rights Issue**"), the Exercise Ratio and/or the Strike Price will be adjusted to take effect on the Market Day immediately following the last day on which an instrument or transfer of such shares could be lodged so that the transferee of the share(s) would qualify for the Rights Issue in accordance with the following formulas:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{\text{Adjustment Factor}}$$

$$(ii) \quad \text{Adjusted Strike Price} = \frac{X}{\text{Adjustment Factor}}$$

Where:

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

- E: Existing Exercise Ratio immediately prior to the Rights Issue.
- X: Existing Strike Price immediately prior to the Rights Issue.
- S: Cum-rights share price determined by the closing price on the Securities Exchange on the last Market Day on which Underlying Shares are traded on a cum-rights basis.
- R: Subscription price per Underlying Share as specified in the Rights Issue plus an amount equal to any dividends or other benefits foregone to exercise the Rights.
- M: Number of new Underlying Shares (whether a whole or a fraction) per existing Underlying Share each holder thereof is entitled to subscribe.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Strike Price as the Issuer determine appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Strike Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**Rights**” means the Right(s) attached to each existing Underlying Share or needed to acquire one new Underlying Share (as the case may be) which are given to the holders of existing Underlying Shares to subscribe at a fixed subscription price for new Underlying Shares pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (ii) *Bonus Issue.* If and whenever the Underlying Company shall make a new issue of shares credited as fully paid to the holders of the Underlying Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (“**Bonus Issue**”), the Exercise Ratio and/or Strike Price will be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the share(s) would qualify for the Bonus Issue in accordance with the following formulas:

- (i) **Adjusted Exercise Ratio** =  $\frac{E}{\text{Adjustment Factor}}$
- (ii) **Adjusted Strike Price** =  $\frac{X}{\text{Adjustment Factor}}$

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Exercise Ratio immediately prior to the Bonus Issue.

X: Existing Strike Price immediately prior to the Bonus Issue.

N: Number of additional Underlying Shares (whether a whole or a fraction) received by a holder of existing Underlying Shares for each Underlying Share held prior to the Bonus Issue.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Strike Price as the Issuer determine appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Strike Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (iv) *Capital Repayment.* If the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or otherwise (pursuant to the Act or such other corresponding provision in the Relevant Country in which the Underlying Shares are listed and quoted) during the tenure of the Structured Warrants, the Exercise Ratio and/or the Strike Price of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying Shares to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and/or Strike Price for the Structured Warrants shall be adjusted in accordance with the following formula:

- (i) **Adjusted Exercise Ratio =**

$$E \quad \times \quad \frac{(P-D)}{P}$$

- (ii) **Adjusted Strike Price =**

$$Y \quad \times \quad \frac{(P-D)}{P}$$

Where:

P: Closing price of the Underlying Shares on the last Market Day on which the Underlying Shares are traded on a cum-entitlement basis

D: The capital repayment/special dividend per one (1) Underlying Share held.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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Y: Existing Strike Price immediately prior to the capital repayment/special dividend.

E: Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, at its absolute discretion, make a corresponding adjustment to the Exercise Ratio and/or Strike Price as the Issuer determines appropriate to account for the dilutive effect of the capital repayment/special dividend.

On any such adjustment, the resultant Exercise Ratio and/or Strike Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the relevant Underlying Company results in a significant change in the business of such Underlying Company or such other circumstances as the Issuer may determine, the Issuer reserves the right, at its sole and absolute discretion and without obligation whatsoever, to terminate the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranthead in respect of each Structured Warrant held by such Warranthead if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Warranthead having to deliver a valid exercise form). The Cash Settlement Amount shall be determined based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses, as determined by the Issuer at its absolute discretion.

- (c) *Extraordinary Events.* If a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency (as defined herein) or such other additional disruption event occurs in relation to the relevant Underlying Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any to be made to any one or more of the Conditions to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event made by the Securities Exchange;
  - (ii) cancel the Bull ELS by giving notice to the Warrantheads in accordance with Condition 9 – *Notices* if the Structured Warrants are so cancelled, the Structured Warrants held by such Warrantheads which amount shall be the fair market value of the Structured Warrants taking into account the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, less the cost to the Issuer and/or any of its related corporations of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantheads in accordance with Condition 9 – *Notices*; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (iii) following any adjustment to the settlement terms of options on the relevant Underlying Shares on such Securities Exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines its proposed course of action in connection with a Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, the Issuer shall give notice to the Warranholders in accordance with Condition 9 – *Notices* stating the occurrence of the Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warranholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of Merger Event, Take-Over Offer, De-Listing, Nationalisation, Insolvency or such other additional disruption event.

On any such adjustment, the resultant Exercise Ratio and/or Strike Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purpose of these Conditions,

“**De-Listing**” means the Securities Exchange announces that pursuant to the rules of such Securities Exchange, such Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Securities Exchange for any reason (other than a Merger Event or Take-Over Offer) and is not immediately re-listed, re-traded or re-quoted on a Securities Exchange, trading system or quotation system acceptable to the Issuer.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company:

- (1) all the Underlying Shares of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official; or
- (2) holders of the Underlying Shares of that Underlying Company become legally prohibited from transferring them.

“**Merger Date**” means the closing date of a Merger Event (as defined below) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

“**Merger Event**” means, in respect of any relevant Underlying Shares, any:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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- (1) reclassification or change of such Underlying Shares that results in a transfer or an irrevocable commitment to transfer all of such Underlying Shares outstanding to another entity or person; or
- (2) consolidation, amalgamation, merger or binding share exchange of an Underlying Company with or into another entity or person by way of scheme of arrangement or otherwise (other than a consolidation, amalgamation, merger or binding share exchange by way of scheme of arrangement or otherwise in which such Underlying Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Shares outstanding); or
- (3) Take-Over Offer (as defined below), exchange offer, solicitation, proposal or other event by any entity or person by way of scheme of arrangement or otherwise to purchase or otherwise obtain one hundred percent (100%) of the outstanding Underlying Shares of the Underlying Company that results in a transfer or an irrevocable commitment to transfer all such Shares (other than such Underlying Shares owned or controlled by such other entity or person); or
- (4) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity by way of scheme of arrangement or otherwise in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding, results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than fifty percent (50%) of the outstanding Underlying Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the final Valuation Date.

**“Nationalisation”** means that all the Underlying Shares or all or substantially all of the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Take-over Offer”** means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten percent (10%) and less than one hundred percent (100%) of the outstanding voting shares of the Underlying Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deem relevant.

- (d) *Other Adjustments.* Except as provided in this Condition 5 – *Adjustments*, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as the Issuer believes appropriate in circumstances where an event or events occur which the Issuer believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Bull ELS and its obligation, give rise to such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdiction).

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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On any such adjustment, the resultant Exercise Ratio and/or Strike Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- (e) Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Strike Price if the formula stated in this Condition 5 – *Adjustments* results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Strike Price being changed.
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9 – *Notices* within five (5) Market Days of the adjustment being made

**6. Buy-backs and Cancellation**

The Issuer and/or any of its subsidiaries or related corporations may at any time purchase or buy-back Bull ELS at any price in the open market or by tender or by private treaty, whether as a fiduciary or otherwise. Any Bull ELS so purchased may be held or resold or surrendered for cancellation.

If pursuant to this Condition, the Issuer and/or any of its subsidiaries or related corporations purchase or buy-back any of the Bull ELS and become the Warranholders of and are beneficially entitled to the Bull ELS, the Issuer and/or any of its subsidiaries or related corporations shall not exercise the voting rights with respect to the Bull ELS held in any meeting of the Warranholders, unless otherwise permitted by applicable laws or requirements.

**7. Meetings of Warranholders**

The Third Schedule of the Deed Poll contains conditions for convening meetings of the Warranholders.

Any resolutions to be passed in a meeting of the Warranholders shall be first decided by a show of hands unless a poll is demanded in accordance to the Deed Poll.

The Issuer shall within twenty one (21) days after the Issuer's receipt at its registered office of an application by:

- (a) not less than one hundred (100) Warranholders of each series of Bull ELS; or
- (b) at least five (5) Warranholders of each series of Bull ELS holding in aggregate not less than one-tenth (1/10) in number of outstanding Bull ELS of each series,

whichever is the lesser, summon a meeting of the Warranholders.

The quorum at any such meeting for passing an Ordinary Resolution will be two (2) or more Warranholders or proxies holding an aggregate of not less than one-tenth (1/10) in number of outstanding Bull ELS of each series, while the quorum for passing a Special Resolution shall be two (2) or more Warranholders or proxies holding an aggregate more than fifty percent (50%) in number of outstanding Bull ELS of each series, or at any adjourned meeting two (2) or more Warranholders or proxies whatever the number of Bull ELS so held or represented.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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A resolution will be a Special Resolution if passed at a meeting of Warranholders of a series of Bull ELS duly convened by a majority consisting of at least seventy five percent (75%) of the votes cast. A resolution will be an Ordinary Resolution if passed at a meeting of Warranholders of a series of Structured Warrants duly convened by a majority consisting of more than fifty percent (50%) of the votes cast.

**8. Modification of rights**

- (a) All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Warranholder is entitled to or the formula for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions as set out in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Warranholders held as aforesaid shall be necessary to effect such alteration or abrogation.
- (b) Notwithstanding the above, the Issuer may without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
  - (i) not materially prejudicial to the interests of the Warranholders; or
  - (ii) of a formal, minor or technical nature; or
  - (iii) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (vi) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Warranholders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 9 – *Notices* but in any event not later than twenty (20) Market Days from the date of such modification.

**9. Notices**

All notices to the Warranholders will be made by way of either an announcement to Bursa Securities or a notice published in a nationally circulated English daily newspaper. If at any time announcement to Bursa Securities or publication in such newspaper is not practicable, the notice may be given in such other manner as the Issuer may deem fit from time to time.

A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

All notices effected in accordance with this Condition shall be deemed to be effective in respect of all persons who become Warranholders after the date the relevant notice is announced or published, as the case may be.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**10. Take-Over, Merger, Liquidation, Dissolution or Winding-Up of the Issuer**

- (a) In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Warranholders, the Issuer reserves the right in its sole discretion and without any obligation whatsoever to deal with the Bull ELS in such manner as the Issuer reasonably deem fit in the circumstances and with or without adjustments to the rights attaching to the relevant Bull ELS.
- (b) In the event of the Issuer's merger, amalgamation or reconstruction, the corporation, trust or other body into which the Issuer is merged, amalgamated, or reconstructed shall assume all the Issuer's liabilities and obligations in respect of the Bull ELS so that the rights of the Warranholders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- (c) In the event of the Issuer's liquidation, dissolution or winding-up or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Bull ELS remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
  - (i) all unexercised Structured Warrants shall automatically be exercised without the Warranholders having to deliver a valid Exercise Notice and without notice of automatic exercise being given by the Issuer to the Warranholders:
    - (aa) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Warranholder; or
    - (bb) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer is not obligated to make any payment to the relevant Warranholder, and the relevant Bull ELS shall lapse and cease to be valid and the Issuer's obligations in respect of the Bull ELS shall terminate absolutely;
  - (ii) the closing price of the Underlying Shares on the Market Day immediately before the above events shall form the Closing Price for the calculation of the Cash Settlement Amount.

For the avoidance of doubt, the Warranholders shall not be required to pay or top up the Exercise Expenses as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Notwithstanding the foregoing, if in the Issuer's absolute discretion, there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Closing Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Closing Price shall be determined by the Issuer on the Set Date at its absolute discretion and on the basis of its good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Shares and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (Cont'd)**

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**11. Termination for Force Majeure, etc.**

- (a) *Force Majeure, etc.* If the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, the performance of the Issuer's obligations under the Bull ELS has become illegal or impractical in whole or in part for any reason, or the Issuer in its absolute discretion determine that, for reasons beyond the Issuer's control, it is no longer legal or practical for the Issuer to maintain its hedging arrangement with respect to the Underlying Shares for any reason, the Issuer may in its discretion and without obligation terminate the Bull ELS early by giving notice to the Warranholders in accordance with Condition 9 – *Notices*.
- (b) *Termination.* If the Issuer terminates the Bull ELS early pursuant to Condition 11(a), then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warranholder in respect of each Bull ELS held by such Warranholder equals to the fair market value of a Bull ELS notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any Underlying Shares related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warranholders in accordance with Condition 9 – *Notices*.

**12. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warranholders, to create and issue further Structured Warrants so as to form a single series with the previous series of the Structured Warrants.

**13. Claims**

In the event that the Issuer makes the Cash Settlement Amount upon a valid exercise of Structured Warrants by a Warranholder and such Warranholder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter be at liberty to deal with the said monies in accordance and in compliance with, the requirements of the *Unclaimed Moneys Act, 1965 (Act 370) (revised 1989)* of Malaysia.

**14. Governing Law**

The Bull ELS and the Deed Poll will be governed and construed in accordance with the laws of Malaysia. The Issuer and each Warranholder (by its purchase of the Structured Warrants) shall be deemed to have submitted for all purposes in connection with the Structured Warrants and the Deed Poll to the exclusive jurisdiction of the courts of Malaysia.

The applicable Term Sheet in relation to the issue of any series of Structured Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Structured Warrants. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Term Sheet.

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