

**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

DETAILS OF THE ISSUE

[All capitalised terms used in this Supplemental PTC shall, unless otherwise defined here, have the same meaning ascribed to it in the Master Lodgement Form for MTN Programme (“Master Lodgement Form”), where relevant]

- (1) Issue 1 Description** : The MTNs under the MTN Programme which will be secured by Secured Properties – Issue 1 (as defined hereinafter in the section entitled “*Details of security/collateral pledged*”) (“**Issue 1**”) shall be issued as follows:
- (a) MTNs to be issued under Issue 1 (“**MTN Issue 1**”) which may comprise:-
 - (i) rated and/or unrated Tranche(s) (“**MTN Tranche(s)**”);
 - (ii) one or more Classes under the relevant rated MTN Tranche(s) (“**MTN Classes**”); and
 - (iii) one or more Series under the relevant MTN Tranches or MTN Classes, as the case maybe (“**MTN Series**”),all to be determined and agreed between the Issuer and LM prior to issuance.
 - (b) Issue 1 shall be named in accordance with the naming convention stipulated in the Master Lodgement Form; and
 - (c) Issue 1 and the respective classes and tranches stipulated thereunder shall have the ranking ascribed to it in the Master Lodgement Form.

Unless otherwise specifically described in this Supplemental PTC, all other terms and conditions as stated in the Master Lodgement Form lodged with the Securities Commission Malaysia (“**SC**”) shall be deemed incorporated into this Supplemental PTC as if the same were expressly set out herein.

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(2) Expected issue size (RM) : Size of each Tranche(s) under Issue 1

The size of each issuance of each MTN Tranche(s) under Issue 1 (collectively, the “**Tranche(s)**”) will be determined and mutually agreed between the Issuer and the LM prior to issuance of such Tranche(s) and set out in the pricing supplement of such Tranche(s) (“**Initial Size**”).

After the first issuance of the MTNs under Issue 1, and upon written request by the Issuer supported by valuation report(s) of the Secured Properties – Issue 1, the Issuer may issue additional MTNs under Issue 1 for such nominal value exceeding the Initial Size:-

- (a) in the case of subsequent Tranche(s) under Issue 1 comprising only unrated MTNs and there are no existing outstanding MTNs which are rated, as agreed between the Issuer and the LM;
- (b) in the case of subsequent Tranche(s) under Issue 1 comprising only unrated MTNs and there are existing outstanding MTNs which are rated, as agreed between the Issuer and the LM, subject always to the assessment by rating agency that the issuance of subsequent Tranche(s):-
 - (i) will not cause any rating downgrade to the existing rated MTNs currently outstanding; and
 - (ii) the Issuer has obtained affirmation from the rating agency that the rating assigned to the rated MTNs currently outstanding under Issue 1 will not be affected by such further issuance; and
- (c) in the case of subsequent Tranche(s) under Issue 1 comprising rated MTNs, as agreed between the Issuer and the LM, subject always to the assessment by the rating agency.

(3) Tenure of the issue : Each MTNs issued under Issue 1 shall have an expected tenure (“Expected Tenure**”) of more than one (1) year and up to eighteen (18) years, and legal tenure (“**Legal Tenure**”) of more than three (3) years**

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and up to twenty (20) years provided always that the last day of the Legal Tenure (“**Legal Maturity Date**”) shall fall on the date which is two (2) years after the last date of the Expected Tenure (“**Expected Maturity Date**”) and which shall be determined and agreed between the Issuer, the REIT Trustee and the LM prior to issuance and stated in the pricing supplement of such Tranche(s).

(4) **Availability period for Issue 1** : Issue 1 under the MTN Programme are available for issuance upon completion of the Transaction Documents and fulfilment of all conditions precedent to the satisfaction of the LA/LM (unless otherwise waived or deferred by the LA/LM), provided that the first issuance of the MTNs shall be made within sixty (60) business days from the date of the lodgement with the SC.

(5) **Mode of issue** :

- Book running
- Bought deal
- Direct placement
- Private placement

(6) **Selling restriction** : **Selling Restrictions at issuance:**

The MTNs under the MTN Programme may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act 2016, as may be amended and/or substituted from time to time (“**Companies Act**”), and persons to whom an offer or invitation to subscribe the MTNs may be made and to whom the MTNs are issued falling within Part I of Schedule 6 (or Section 229(1)(b)) of the Capital Markets and Services Act 2007 as amended from time to time (“**CMSA**”); and Part I of Schedule 7 (or Section 230(1)(b) of the CMSA), to be read together with Schedule 9 or Section 257(3) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any law, order, regulation or official directive of Bank Negara Malaysia (“**BNM**”) and/or the SC from time to time.

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Selling Restrictions thereafter:

The MTNs under the MTN Programme may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons to whom an offer or invitation to purchase the MTNs falling within the relevant category of the persons specified in Section 2(6) of the Companies Act, and persons to whom an offer or invitation to purchase the MTNs falling within Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA to be read together with Schedule 9 (or Section 257(3)) of the CMSA and does not constitute an offer to the public under Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of BNM and/or the SC from time to time.

- (7) **Tradability and transferability** : Tradable and transferable.
- (8) **Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase corporate bonds/sukuk, and whether or not obtained** : None
- (9) **Details of security/collateral pledged** : For the purpose of this Supplemental PTC, the **“Secured Properties – Issue 1”** shall refer to, collectively:-
- (a) a one (1)-storey retail centre with one (1) level of mezzanine floor erected on all that piece(s) of land held under issue document of title HSD 452673 Lot PTD 152711 situated at Mukim Pulai, District of Johor Bahru, Johor and known as **“KIPMall Tampoi”**;
- (b) a one (1)-storey retail centre with one (1) level of mezzanine floor erected on all that piece(s) of land held under issue document of title PN 70766 Lot 198634 (formerly known as HSD 478086), situated at Mukim Plentong, District of Johor Bahru, Johor and known as **“KIPMall Masai”**;

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- (c) a five (5) storey shopping centre with one (1) level of mezzanine floor and two (2) levels of basement car park erected on all that piece(s) of land held under issue document of title HSD 36945 Lot PT 29330 situated at Mukim Kajang, District of Ulu Langat, Selangor and known as “**KIPMall Bangi**”; and
- (d) a three (3)-storey shopping mall comprises two (2) levels of retail lots, one (1) level of car park and cinema, and one (1) level of car park and bowling alley at the roof top erected on all that piece(s) of land held under issue document of title Geran 72619 Lot 320549 situated at Mukim Hulu Kinta, District of Kinta, Negeri Perak and known as “**AEON Mall Kinta City Shopping Centre**”, more particularly described and identified in the sale and purchase agreement dated 30 November 2018 and made between Kinta City Sdn Bhd (“**Vendor**”) and the REIT Trustee on behalf of KIP REIT as purchaser (“**SPA**”, which expression shall include any further variation thereof and any other document executed supplemental thereto).

Note:

1. The creation of a third party first ranking legal charge over AEON Mall Kinta City Shopping Centre by the REIT Trustee in favour of the Security Trustee is subject to the release of the existing security created in favour of a third party. Pending that:-
 - (a) the Security Trustee will lodge a private caveat over AEON Mall Kinta City Shopping Centre;
 - (b) the REIT Trustee shall assign its rights, titles, benefits and interests in the SPA (including supplementals made thereto); and
 - (c) the REIT Trustee shall create a specific debenture over AEON Mall Kinta City Shopping Centre in favour of the Security Trustee.

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2. The creation of a third party first ranking legal charge over the Secured Properties – Issue 1 listed in (a), (b) and (c) above by the REIT Trustee in favour of the Security Trustee are subject to the release of the existing securities created pursuant to the Existing Financings and consent from the relevant authorities (for (c) only). Pending that:-
- (a) the Security Trustee will lodge a private caveat over each of the Secured Properties – Issue 1 listed in (a), (b) and (c) above; and
 - (b) the REIT Trustee will create a specific debenture over each of the Secured Properties – Issue 1 listed in (a), (b) and (c) above in favour of the Security Trustee.

The Issue 1 shall be secured, inter-alia by the following:-

- (a) a third party first ranking legal charge by the REIT Trustee over KIPMall Tampoi in favour of the Security Trustee (“**Land Charge (KIPMall Tampoi - Issue 1)**”);
- (b) a third party first ranking legal charge by the REIT Trustee over KIPMall Masai in favour of the Security Trustee (“**Land Charge (KIPMall Masai - Issue 1)**”);
- (c) a third party first ranking legal charge by the REIT Trustee over KIPMall Bangi in favour of the Security Trustee (“**Land Charge (KIPMall Bangi - Issue 1)**”);
- (d) a third party first ranking legal charge by the REIT Trustee over AEON Mall Kinta City Shopping Centre in favour of the Security Trustee (“**Land Charge (AEON Mall Kinta City Shopping Centre - Issue 1)**”);
- (e) a specific debenture over KIPMall Tampoi in favour of the Security Trustee (“**Specific Debenture (KIPMall Tampoi - Issue 1)**”);

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- (f) a specific debenture over KIPMall Masai in favour of the Security Trustee (“**Specific Debenture (KIPMall Masai - Issue 1)**”);
- (g) a specific debenture over KIPMall Bangi in favour of the Security Trustee (“**Specific Debenture (KIPMall Bangi - Issue 1)**”);
- (h) a specific debenture over AEON Mall Kinta City Shopping Centre in favour of the Security Trustee (“**Specific Debenture (AEON Mall Kinta City Shopping Centre - Issue 1)**”);
- (i) an undertaking from the REIT Manager in favour of the Trustee and the Security Trustee (“**REIT Manager’s Letter of Undertaking (Issue 1)**”), amongst others:
 - (i) to deposit all rental cash flows, deposits and other income, in relation to the Secured Properties – Issue 1 and any proceeds generated from the Secured Properties - Issue 1 into the respective Individual Collection Accounts – Issue 1;
 - (ii) to deposit all proceeds from the disposal of the Secured Properties – Issue 1 and all insurance claim proceeds in relation to the Secured Properties – Issue 1 into the Proceeds Account – Issue 1 (as described below);
 - (iii) that it shall not make or permit to make any withdrawal from the Designated Accounts – Issue 1 (as defined hereinafter) for the declaration of any income distributions to KIP REIT’s unitholders, if:
 - (1) an Event of Default and/or Trigger Event under Issue 1 has occurred and is continuing or will occur as a result of such payment or distribution; or
 - (2) the Financial Covenants under Issue 1 are not met prior to and/or

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will not be met after such distribution;

(iv) to procure the necessary state authority consent in relation to the relevant Secured Properties - Issue 1 having expressed restriction of interest (in terms of creation of charge and/or transfer, with respect to the issue document of title) prior to the issuance of any MTNs under the Issue 1; and

(v) in the case where the creation of legal charge or charges over the Secured Properties - Issue 1 are subject to existing charge(s) in favour of the existing chargee(s), to present the charge over the Secured Properties - Issue 1 in favour of the Security Trustee within 30 business days (or such extended time as may be mutually agreed between the REIT Trustee and the Security Trustee (upon instruction by way of a special resolution)) from the full settlement of the Existing Financings and the release and discharge of the security securing the Existing Financings;

for avoidance of doubt, nothing in the above shall restrict the REIT Trustee and the REIT Manager from paying the income distributions to the unitholders of KIP REIT using monies from other accounts of the REIT Trustee and/or the REIT Manager which are not assigned and/or charged to secure Issue 1;

(j) an undertaking from the REIT Trustee in favour of the Trustee and the Security Trustee (“**REIT Trustee’s Letter of Undertaking (Issue 1)**”), amongst others, to perform all its obligations and comply with all the covenants and undertakings under Issue 1;

(k) first ranking legal charge and assignment in favour of the Security Trustee over all rights, titles, interests and benefits in and under the Designated Accounts – Issue 1 (as defined

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hereinafter in the section entitled “*Details of Designated Accounts*”) (i.e. third party legal assignment and charge by the REIT Trustee over the Master Collection Account – Issue 1, Individual Collection Account – Issue 1, Proceeds Account – Issue 1 and Operations Account – Issue 1 (“**Assignment and Charge of REIT Trustee’s Designated Accounts (Issue 1)**”); and first party legal assignment and charge by the Issuer over the DSRA – Issue 1 (“**Assignment and Charge of Issuer’s Designated Account (Issue 1)**”);

- (l) third party legal assignment in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interest and benefit in and under the SPA (“**Assignment of Sale and Purchase Agreement (Issue 1)**”).
- (m) third party legal assignment in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interest and benefit in and under:-
 - (i) in relation to KIPMall Bangi, KIPMall Masai and KIPMall Tampoi, the tenancy agreements and/or lease agreements and/or like agreements, and/or as the case may be, the letting and/or leasing of KIPMall Bangi, KIPMall Masai and KIPMall Tampoi (including without limitation any and all consideration and/or proceeds of sale and/or rental payable thereunder); and
 - (ii) in relation to AEON Mall Kinta City Shopping Centre, the lease agreement and/or like agreements, and/or as the case may be, the letting and/or leasing of AEON Mall Kinta City Shopping Centre (including without limitation any and all consideration and/or proceeds of sale and/or rental payable thereunder), subject to the consent or no objection from the counterparty on best effort basis, and in lieu thereof, the assignment of all the REIT Trustee’s rights, titles, interest and benefit in and under the proceeds arising from the

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lease agreement and/or like agreements, including the rights to claim, take legal action and recover such proceeds from the counterparty, (**“Assignment of Tenancy Agreements (Issue 1)”**).

For the avoidance of doubt, notwithstanding the foregoing assignment, the relevant documentation shall make provisions for circumstances where the REIT Trustee shall be permitted to utilise monies received from tenancy/lease/income/like agreements that are subject to refund.

- (n) third party legal assignment in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interests and benefits in and under the insurance policies in relation to the Secured Properties - Issue 1 (**“Assignment of Insurances (Issue 1)”**).

For the avoidance of doubt, notwithstanding the foregoing assignment, the relevant documentation shall make provisions for circumstances where the REIT Trustee shall be permitted to utilise monies received from third party insurance policies that are to be paid to third parties;

- (o) an irrevocable Power of Attorney to be granted by the REIT Trustee in favour of the Security Trustee to deal with matters including without limitation to the application for subdivision (if any), the collection of title on behalf of REIT Trustee, the disposal of the Secured Properties - Issue 1; and the collection of rental, the management and operation of the Secured Properties - Issue 1 upon occurrence of a Trigger Event under Issue 1 (**“Power of Attorney (Issue 1)”**);

- (p) first party assignment in favour of the Security Trustee over all the Issuer’s rights, titles, interests and benefits in and under the financing agreement (**“REIT Trustee Financing Agreement – Issue 1”**) entered and/or to be entered into between the Issuer

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and the REIT Trustee for the provision of the inter-company loan from the Issuer to the REIT Trustee using the proceeds raised from Issue 1 (“**Assignment of REIT Trustee Financing Agreement (Issue 1)**”).

The security for Issue 1 is referred to as “**Issue 1 Security**”.

(10) Details of covenants : Positive Covenants

All positive covenants under the Master Lodgement Form shall be applicable to Issue 1. In addition, the following positive covenants shall also be applicable to Issue 1:

(A) In respect of the Issuer

- (1) the Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable the Issuer to own its assets or to perform its obligations under Issue 1;
- (2) the Issuer shall deliver copies of the following valuation report(s) in respect of the Secured Properties – Issue 1 to the Security Trustee and rating agency as follows:-
 - (a) a full valuation report(s) prepared by the valuer at least once in every three (3) years;
 - (b) in the year where a full valuation is not done, a desktop valuation;
- (3) the Issuer shall provide and/or shall procure the REIT Trustee to provide to the Trustee and the rating agency:-
 - (a) a yearly budget for the Secured Properties - Issue 1; and

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- (b) the tenancy and leasing status report on the aforesaid Secured Properties - Issue 1 on a half yearly basis;
 - (4) the Issuer shall deliver and/or shall procure the REIT Trustee to deliver to the Trustee and the Security Trustee half-yearly tenancy and leasing status report and the management account on the Secured Properties – Issue 1, which shall include the details on the tenants, the space leased out, tenure of lease, amount of deposit collected and lease rental amount, within two (2) months after the end of each financial half year of KIP REIT or as and when the Trustee and/or Security Trustee may reasonably request subject to confidentiality;
 - (5) the Issuer shall provide necessary information to the rating agency upon its reasonable inquiry over occurrence of the following material events in respect of the rated MTNs:-
 - (a) the occurrence of a Trigger Event or declaration of an Event of Default by the Trustee; or
 - (b) a breach of provision of the relevant Transaction Documents which has been notified by the Trustee to the holders of the MTNs, unless such breach would be or have been remedied to the satisfaction of the Trustee;
 - (6) the Issuer shall provide the rating agency, the terms of the unrated MTNs, in the event that there is any outstanding rated MTNs under the Issue 1 (if applicable); and
 - (7) where applicable, the Issuer shall procure that the REIT Trustee present for registration the third party legal charge over the Secured Properties – Issue 1 within the timeline stipulated under paragraph 2(b), paragraph 4(b) and paragraph 5(a) respectively in the section entitled “*Conditions subsequent after first issuance under Issue 1, Conditions Precedent for Issue 1*”.

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(B) In respect of the REIT Trustee

- (1) the REIT Trustee shall maintain or cause to maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable the REIT Trustee (for and on behalf of KIP REIT) to own Secured Properties – Issue 1 or the REIT Trustee to perform its obligations under Issue 1;
- (2) the REIT Trustee shall:
 - (a) maintain or cause to maintain adequate insurances coverage with reputable insurance operator:-
 - (i) in respect of the Secured Properties – Issue 1 of which the REIT Trustee is the owner; and
 - (ii) in respect of the Secured Properties – Issue 1 to be acquired, upon completion of such acquisition,

against all risk which a prudent company carrying on a business similar to that of KIP REIT would normally insure, and which the Security Trustee shall be endorsed as co-insured and loss payee; and
 - (b) deposit or cause to deposit with the Security Trustee the duplicate copies of such insurance policies (including the receipt for the current premiums) certified as true copies by the REIT Trustee; and
 - (c) promptly notify or cause to notify the Trustee in writing of any event which will or may give rise to any claim or right of action under the insurances;

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- (3) the REIT Trustee shall notify or cause to notify the Trustee in writing promptly (and in any event within three (3) business days from the date the REIT Trustee is aware) in the event of:-
- (a) any breach or disputes arises or claims made under the SPA; or
 - (b) any extension of time, forbearance or indulgence granted under the SPA; or
 - (c) the SPA is terminated for any reason whatsoever; or
 - (d) any variation to the terms of SPA and the REIT Trustee shall deliver to the Security Trustee the original supplemental SPA (with a copy to the Trustee) immediately upon execution of the same by the parties thereto; or
 - (e) any land acquisition by the governmental authority which will affect the Secured Properties – Issue 1; and
- (4) the REIT Trustee shall comply with the terms and conditions of the SPA.

(C) In respect of the REIT Manager

- (1) the REIT Manager shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable the REIT Manager to manage the Secured Properties – Issue 1; and
- (2) the REIT Manager shall remain as the manager of KIP REIT.

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Negative Covenants

All negative covenants under the Master Lodgement Form shall be applicable to Issue 1. In addition, the following shall also be applicable to Issue 1:

(A) In respect of the Issuer

- (1) the Issuer will cause the REIT Trustee not to charge, pledge, assign or otherwise create or permit to exist any security interest over the whole or any part of the Issue 1 Security, which shall include but not limited to the SPA, the Secured Properties – Issue 1, and the revenues, incomes, insurances, present or future, of the Secured Properties – Issue 1, other than the following:-
 - (a) the existing security interest created in favour of the existing trustee/ financier /lender and as disclosed to the LM prior to the issuance of the Issue 1;
 - (b) security interest created in connection with liabilities which are subject to liens or rights of set off arising by operation of law and in the ordinary course of business and not by way of contract; or
 - (c) security interest created or to be created to secure Issue 1;
- (2) the Issuer shall not utilise the proceeds from the issuance of the MTNs for any other purposes other than as stated in the relevant Transaction Documents; and
- (3) the Issuer shall not cause any insurance coverage in respect of the Secured Properties – Issue 1 to be rendered void/voidable.

(B) In respect of the REIT Trustee

- (1) the REIT Trustee will not charge, pledge, assign or otherwise create or permit to exist any security interest over the whole or any part of the Issue 1 Security, which shall include but not limited to the SPA, the Secured Properties

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- Issue 1, and the revenues, incomes, insurances, present or future, of the Secured Properties – Issue 1, other than the following:-
 - (a) the existing security interest created in favour of the existing trustee/ financier /lender and as disclosed to the LM prior to the issuance of Issue 1;
 - (b) security interest created in connection with liabilities which are subject to liens or rights of set off arising by operation of law and in the ordinary course of business and not by way of contract;
 - (c) those disclosed to and consented by the LM, the Trustee and/or identified investors (as the case may be) prior to the issuance of Issue 1;
 - (d) security interest created or to be created to secure Issue 1;
 - (2) the REIT Trustee shall not:-
 - (a) terminate the SPA for any reason whatsoever (unless due to the expiry or completion of the SPA);
 - (b) waive or agree to waive any breach or potential breach under the SPA by the Vendor;
 - (c) consent to any novation of the SPA;
 - (d) vary or agree to vary any terms in the SPA which will have a Material Adverse Effect; and
 - (e) do or omit to do any act or execute or omit to execute any document which may render the SPA to be illegal or void; and
 - (3) the REIT Trustee shall not cause any insurance coverage in respect of the Secured Properties – Issue 1 to be rendered void/voidable.

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Financial Covenants

The financial covenants for Issue 1 shall be the following which shall be calculated based on the formula prescribed in the Master Lodgement Form:

- (1) (a) the Issuer will maintain the Debt Service Cover Ratio (“**Issuer’s DSCR**”) of at least 1.50 times at all times for Issue 1; and
 - (b) the REIT Trustee (in its capacity as REIT Trustee for KIP REIT) will maintain DSCR (“**REIT Trustee’s DSCR**”) of at least 1.50 times at all times at KIP REIT level.
- (2) the Issuer will maintain the Security Cover Ratio (“**SCR**”) of at least 1.50 times at all times for Issue 1 after the first issuance of the MTNs under Issue 1.
- (3) KIP REIT will maintain its gearing level in accordance to REIT Guidelines as amended or substituted from time to time.

For the avoidance of doubt, the reporting of the above covenants shall be in accordance with the Master Lodgement Form.

(11) Details of Designated Accounts

:		The following Designated Accounts – Issue 1 will be opened by the Issuer and/or the REIT Trustee for Issue 1:
(a)		REIT Trustee’s Designated Accounts – Issue 1
No	:	1
Account Name	:	Master Collection Account – Issue 1
Parties responsible for opening of account	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)

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- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

Parties responsible to maintain and operate account	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Master Collection Account – Issue 1 shall be operated solely by the Security Trustee)
Signatories to account	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Master Collection Account – Issue 1 shall be operated solely by the Security Trustee)
Sources of funds	:	The following shall be deposited or cause to be deposited into the Master Collection Account – Issue 1:- (i) all amounts standing to the credit of the respective Individual Collection Accounts – Issue 1 (as referred below) are to be deposited by the REIT Trustee; and (ii) any excess of the Minimum Required Amount (as defined below) in the Debt Service Reserve Account – Issue 1 are to be deposited by the Security Trustee.
Utilisation of funds	:	<u>Prior to the declaration of an Event of Default or occurrence of a Trigger Event</u> The funds in the Master Collection Account – Issue 1 will be applied to meet the following permitted expenditure in the following order of priority:-

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	<p>(a) Contributions to the Operations Account – Issue 1 as and when required by the REIT Manager, subject however to the budget for operating expenditure and capital expenditure (which exclude the capital expenditure set out in (h) below) of the Secured Property(ies) on yearly basis (“Yearly Budget”) prepared by the REIT Manager;</p> <p>(b) Refunds of tenancy/ lease/ income deposits to the relevant tenants/ lessees/ licensees/ occupiers on termination/ expiry of the relevant tenancy/lease/agreement as notified in writing by the REIT Manager;</p> <p>(c) Deposit into the Debt Service Reserve Account – Issue 1 to meet the relevant Minimum Required Amount under the MTN Programme;</p> <p>(d) Fees and expenses incidental to the MTN Programme (if applicable) to be pro-rated among the outstanding Issues under the MTN Programme;</p> <p>(e) Coupon under the Issue 1 as and when due, in accordance with its priority of ranking i.e. the most senior ranking MTNs followed by the next most senior ranking MTNs for that particular Issue;</p>
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- (f) Nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking, i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs for Issue 1;
- (g) All trust expenses, charges and fees in relation to KIP REIT which are permitted to be incurred by the REIT Trustee pursuant to the provision of the KIP REIT trust deed and not part of the operating expenses under (a) above. Such amounts are apportioned based on the investment property value;
- (h) Contributions to the Operations Account for capital expenditure (other than those which are deemed necessary for the upkeep of the Secured Property(ies) as and when required by the REIT Manager;
- (i) Income distribution to the KIP REIT unitholders to the extent permitted by the respective Transaction Documents of the MTN Programme; and
- (j) Permitted Investment.

Any withdrawal of monies from the Master Collection Account – Issue 1 other than in the manner as set out above shall be subject

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	<p>to the consent of the Security Trustee.</p> <p><u>After declaration of an Event of Default or occurrence of a Trigger Event pending the disposal process of the Secured Properties – Issue 1</u></p> <p>The funds in the Master Collection Account – Issue 1 will be applied to meet the following permitted expenditure in the following order of priority:-</p> <p>(a) to pay any outstanding taxes, government charges, and such other statutory obligations due in relation to the Secured Properties – Issue 1;</p> <p>(b) to pay rateably and on pari passu basis or to provide for all outstanding costs, charges, expenses and liabilities incurred in relation to the MTN Programme, amongst others the Security Trustee, the Facility Agent and Trustee in carrying out its duties, powers and discretions or the execution of the powers contained in the Transaction Documents, including the cost of realising any security for Issue 1;</p> <p>(c) in the event there is any shortfall in the Operations Account – Issue 1 for any outstanding insurance premiums and utilities bills on the Secured Properties</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
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	<p>– Issue 1, when due and payable;</p> <p>(d) to pay rateably and on pari passu basis (based on outstanding), payment in full of:</p> <p>(i) in the case of occurrence of a Trigger Event:</p> <p>(A) any accrued and unpaid coupon under the Issue 1, in accordance with its priority of ranking i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs for Issue 1; and</p> <p>(B) any nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs for Issue 1.</p> <p>(ii) in the case of a declaration of an Event of Default: any accrued and unpaid</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

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		<p>coupon and any nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs for Issue 1.</p> <p>Any excess monies after the application of the priority of payments above and subject to all indebtedness under the MTN Programme shall have been fully repaid or provided for, as the case may be transferred to the Issuer/REIT Trustee or such other person as may be instructed by the Issuer/ REIT Trustee.</p>
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No	:	2
Account Name	:	Individual Collection Accounts – Issue 1
Parties responsible for opening of account	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)
Parties responsible to maintain and operate account	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon each of the Individual Collection Accounts – Issue 1 shall be operated solely by the Security Trustee)
Signatories to account	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a

**KIP REIT Capital Sdn Bhd (“Issuer”)
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		Trigger Event, whereupon each of the Individual Collection Accounts – Issue 1 shall be operated solely by the Security Trustee)
Sources of funds	:	All revenue proceeds from the relevant Secured Properties – Issue 1 (which shall include but is not limited to rental income, tenant's/ lessee's/ licensee's security/ income deposits and refund of taxes) from the letting/ leasing of the relevant Secured Properties – Issue 1 and all such other miscellaneous income in relation to the relevant Secured Properties – Issue 1.
Utilisation of funds	:	<p>The REIT Trustee shall transfer and/or remit all amounts standing to the credit of the Individual Collection Accounts – Issue 1 on a weekly basis into the Master Collection Account – Issue 1 or on such other periodic intervals as may be mutually agreed between the REIT Trustee and the Security Trustee.</p> <p>The funds in the Individual Collection Accounts – Issue 1 cannot be withdrawn save and except for purposes of transfer to the Master Collection Account – Issue 1.</p>

No	:	3
Account Name	:	Proceeds Account – Issue 1

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Parties responsible for opening of account	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)
Parties responsible to maintain and operate account	:	Security Trustee
Signatories to account	:	Security Trustee
Sources of funds	:	<p>The sources of funds for the Proceeds Account – Issue 1 are:</p> <p>(i) all insurance proceeds receivable by KIP REIT in respect of all or any of the Secured Properties – Issue 1; or</p> <p>(ii) net sale proceeds in respect of all or any of the Secured Properties – Issue 1 following the occurrence of a Trigger Event or the declaration of an Event of Default; or</p> <p>(iii) net sale proceeds in respect of all or any of the Secured Properties – Issue 1 (other than following the occurrence of a Trigger Event or the declaration of an Event of Default); or</p> <p>(iv) the refund of the proceeds from Issue 1 pursuant to the rescission of the SPA, of which such proceeds from Issue 1 are to part-finance the purchase of AEON Mall Kinta City Shopping Centre, where applicable; or</p>

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	<p>(v) monies transferred from:-</p> <p>(aa) the Operations Account – Issue 1 upon completion of the disposal of all the Secured Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of Trigger Event or a declaration of an Event of Default; and</p> <p>(bb) the DSRA – Issue 1 upon the completion of the disposal of all the Secured Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of Trigger Event or a declaration of an Event of Default.</p>
<p>Utilisation of funds</p>	<p>: The funds in the Proceeds Account – Issue 1 may only be withdrawn for the following purposes:-</p> <p>(a) <u>Insurance Claims</u></p> <p>(i) <u>Minor Insurance Claims</u></p> <p>In respect of insurance proceeds of RM5.0 million or less following a claim by KIP REIT and credited into the Proceeds Account – Issue 1, to make good/repair the damage, loss and/or disrepair to the Secured Properties –</p>

**KIP REIT Capital Sdn Bhd (“Issuer”)
 Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

	<p>Issue 1 or made as compensation due to loss of business income with respect to the Secured Properties – Issue 1 (in respect of which such insurance proceeds were paid by the insurance companies) PROVIDED THAT such withdrawal must be accompanied by relevant supporting documents evidencing the amount payable to make good/repair such damage, loss and/or disrepair to be furnished by KIP REIT and acceptable to the Security Trustee;</p> <p>(ii) <u>Major Insurance Claims</u></p> <p>In respect of insurance proceeds of more than RM5.0 million following a claim by KIP REIT and credited into the Proceeds Account – Issue 1, subject to the consent of the Security Trustee, to make good/repair the damage, loss and/or disrepair to the Secured Properties – Issue 1 or made as compensation due to loss of business income with respect to the Secured Properties – Issue 1</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

	<p>(in respect of which such insurance proceeds were paid by the insurance companies) PROVIDED THAT such withdrawal must be accompanied by relevant supporting documents evidencing the amount payable to make good/repair such damage, loss and/or disrepair to be furnished by KIP REIT and acceptable to the Security Trustee;</p> <p>(b) <u>Sale of Secured Properties – Issue 1 following occurrence of Trigger Event or declaration of an Event of Default</u></p> <p>Upon receipt of 100% of the net proceeds of disposal of any of the Secured Properties – Issue 1 arising from the occurrence of a Trigger Event or the declaration of an Event of Default deposited into the Proceeds Account – Issue 1 shall be applied in the following order of priority:-</p> <p>(i) to pay any outstanding taxes, government charges and such other statutory obligations due in relation to the Secured Properties – Issue 1;</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN
Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

- | | |
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| | <p>(ii) to pay rateably and on pari passu basis or to provide for all outstanding costs, charges, expenses and liabilities incurred in relation to the MTN Programme, amongst others the Security Trustee, the Facility Agent and Trustee in carrying out its duties, powers and discretions or the execution of the powers contained in the Transaction Documents including the cost of realising any security of Issue 1;</p> <p>(iii) in the event there is any shortfall in the Operations Account – Issue 1, to pay for any outstanding insurance premiums and utilities bills on the Secured Properties – Issue 1 and the remaining undisposed Secured Properties – Issue 1 (if any) when due and payable;</p> <p>(iv) to pay rateably and on pari passu basis (based on outstanding), payment in full of:</p> <p>(A) in the case of a occurrence of a Trigger Event:</p> |
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN
Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

		<p>(aa) any accrued and unpaid interest/coupon under the Issue 1, in accordance with its priority of ranking i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs for Issue 1; and</p> <p>(bb) any nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
 Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

	<p style="text-align: right;">MTNs for Issue 1;</p> <p>(B) in the case of a declaration of an Event of Default: any accrued and unpaid coupon and any nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs for Issue 1.</p> <p>(c) <u>Sale of Secured Properties – Issue 1 by KIP REIT (other than pursuant to a Trigger Event or an Event of Default)</u></p> <p>In the event of a sale of the Secured Properties – Issue 1 of which the net proceeds of sale is sufficient to redeem in full, the outstanding MTNs (including the principal amount together with all accrued and unpaid coupon (if any)) of Issue 1 at the redemption amounts, the net proceeds of sale shall be applied on a pari passu basis, towards redemption and/or early redemption of the outstanding MTNs of Issue</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

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	<p>1 under the MTN Programme, in accordance with its priority of ranking i.e. the most senior ranking MTNs followed by the next most senior ranking MTNs for Issue 1 and repayment.</p> <p>(d) <u>Rescission of SPA</u></p> <p>In the event the purchase of AEON Mall Kinta City Shopping Centre is subsequently aborted pursuant to the rescission of the SPA, in such circumstances, on pari passu basis, to early redeem the outstanding MTNs of Issue 1.</p> <p>(e) <u>Monies transferred from the Operations Account – Issue 1 and the DSRA – Issue 1</u></p> <p>Upon receipt of the monies transferred from:-</p> <p>(aa) the Operations Account – Issue 1 upon completion of the disposal of all the Secured Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of Trigger Event or a declaration of an Event of Default; and</p> <p>(bb) the DSRA – Issue 1 upon the completion of the disposal of all the Secured</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

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	<p>Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of Trigger Event or a declaration of an Event of Default,</p> <p>such monies shall be applied in the order of priority set out in (b)(i), (b)(ii) and (b)(iv) above.</p> <p>Any excess monies after the application of the priority of payments above and subject to all indebtedness under the MTN Programme (based on its priority ranking) shall have been fully repaid or provided for (as the case may be), shall be transferred to the Issuer/ REIT Trustee or such other person entitled thereto.</p>
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No	:	4
Account Name	:	Operations Account – Issue 1
Parties responsible for opening of account	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)
Parties responsible to maintain and operate account	:	REIT Manager (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Operations Account – Issue 1 shall be operated solely by the Security Trustee)
Signatories to account	:	REIT Manager (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the

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- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

		Operations Account – Issue 1 shall be operated solely by the Security Trustee)
Sources of funds	:	<p>Funds will be transferred into the Operations Account – Issue 1 from the Master Collection Account – Issue 1 as and when required by the REIT Manager subject however to the Yearly Budget.</p> <p>The REIT Manager shall prepare a Yearly Budget.</p> <p>Any variation of ten per cent (10%) or higher above the Yearly Budget shall require the approval of the Security Trustee.</p>
Utilisation of funds	:	<p>The funds in the Operations Account – Issue 1 will be applied to meet the relevant Secured Properties – Issue 1’s projected operating expenditure (including the statutory obligations required for the Secured Properties – Issue 1) and capital expenditure.</p> <p>For the avoidance of doubt, payment for operating expenditure shall rank ahead of payment for capital expenditure, unless such capital expenditure is deemed necessary for the upkeep of the Secured Properties – Issue 1 or not related to asset enhancement initiatives.</p> <p>Balances standing to the credit of the Operations Account – Issue 1 at the end of each month (if any) shall remain in the account until the end of the then</p>

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prevailing Yearly Budget (“Ending Balance”).

Such amounts that are required to pay for accruals and other operating expenditure and capital expenditure relating to the said period shall then be set aside (“**Accrued Amount**”) in the Operations Account – Issue 1. The difference between the Ending Balance and the Accrued Amount shall be referred to as the “**Surplus Amount**”.

Pursuant to the next Yearly Budget, the first transfer of funds from the Master Collection Account – Issue 1 for the next yearly period shall be net-of the Surplus Amount (i.e. the budgeted transfer amount for the next yearly period less the Surplus Amount shall be equal to the actual amount of funds to be transferred).

Funds held in the Operations Account – Issue 1 may be utilised for investments in Permitted Investments, provided always that such Permitted Investments shall mature and the proceeds be remitted into the Operations Account – Issue 1 no later than five (5) business days before any payment obligations become due and payable.

Upon completion of the disposal of all the Secured Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of Trigger Event or a declaration of an Event of Default, the funds in the

**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

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	Operations Account – Issue 1 shall be transferred to the Proceeds Account – Issue 1.
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(b) Issuer’s Designated Account – Issue 1

No	:	5
Account Name	:	Debt Service Reserve Account – Issue 1 (“ DSRA – Issue 1 ”)
Parties responsible for opening of account	:	Issuer with the financial institution(s) rated at least A2 or P1 (or its equivalent)
Parties responsible to maintain and operate account	:	Security Trustee
Signatories to account	:	Security Trustee
Sources of funds	:	Monies transferred from Master Collection Account – Issue 1 for the purpose of meeting the Minimum Required Amount in accordance with the permitted utilization as stated therein.
Utilisation of funds	:	<p>"Minimum Required Amount" shall mean at any time, the amount equivalent to:-</p> <p>(a) in case of fixed coupon rate, any of the following (either (A) or (B) below, whichever is applicable) based on the rating agency’s assessment of the Secured Properties – Issue 1 (in the case of a rated issuance); or</p>

**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

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	<p>(b) in case of floating coupon rate, such amount (based on ceiling rate) to be determined prior to the issuance</p> <p>(A) Upon issuance of the MTNs and prior to Trigger Event</p> <p>Six (6) months' equivalent of coupon payable under the MTNs of Issue 1 or any other amount to be agreed with the rating agency (in the case of a rated issuance).</p> <p>(B) Upon the occurrence of a Trigger Event</p> <p>As soon as practicable, to top up the Minimum Required Amount balance to the amount equivalent to twelve (12) months' aggregate coupon payable or any other amount to be agreed with the rating agency (in the case of a rated issuance).</p> <p>Prior to the occurrence of a Trigger Event or the declaration of an Event of Default, the funds in the DSRA – Issue 1 shall be utilized for the following permitted purposes:-</p> <p>(a) meeting the Issuer's payment obligations in respect of the coupon due and payable in the event there is insufficient funds in the Master Collection Account – Issue 1 to make such payment when such payment is due; and</p> <p>(b) investments in Permitted Investments.</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

	<p>In the event that the Minimum Required Amount requirement is being satisfied with cash equivalent to such amount and the balance held in the DSRA – Issue 1 is less than/exceeds the Minimum Required Amount, the shortfall/excess shall be topped up from/released to the Master Collection Account – Issue 1 (as the case may be).</p> <p>Any non-compliance of the Minimum Required Amount which is not remedied within a period of ten (10) business days from the date of the Minimum Required Amount is to be deposited, will lead to a Trigger Event and not an Event of Default.</p> <p>Upon completion of the disposal of all the Secured Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of Trigger Event or a declaration of an Event of Default, the funds in the DSRA – Issue 1 shall be transferred to the Proceeds Account – Issue 1.</p>
<p>(12) Name of credit rating agency and credit rating</p>	<p>: The credit rating for Tranche(s) comprising rated MTNs to be issued under Issue 1 will be set out in the pricing supplement of such Tranche(s).</p> <p>The credit rating assigned or the Initial Size may be revised by the rating agency from time to time and the Issuer shall notify the Trustee in writing of such revised rating or Initial Size, as the case may be, accordingly.</p>
<p>(13) Conditions Precedent for Issue 1</p>	<p>: In addition to the conditions precedent for issuance of the Relevant Issue stated in the Master Lodgement Form, the conditions precedent for Issue 1 shall also include the following:-</p>

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Programme”)**

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- (1) the REIT Trustee Financing Agreement, the Deed of Covenant and the Security Lodgement Form for Central Depository and Paying Agency Services for Issue 1 shall have been duly executed by the parties thereto, endorsed as exempted from stamp duty and presented for registration with the relevant authority, if applicable;
 - (2) evidence that the Designated Accounts – Issue 1 have been duly opened and the mandate for operations of such account: (a) is in accordance with the terms of the Issuer's, the REIT Trustee's or the REIT Manager's Board of Directors resolution (as the case may be) and/or the Transaction Documents and (b) a copy of the said mandate has been given to the Security Trustee;
 - (3) the following security documents for Issue 1 Security have been duly executed by the parties thereto and endorsed as exempted from stamp duty:-
 - a) the Specific Debenture (KIPMall Tampoi – Issue 1);
 - b) the Specific Debenture (KIPMall Masai – Issue 1);
 - c) the Specific Debenture (KIPMall Bangi – Issue 1);
 - d) the Specific Debenture (AEON Mall Kinta City Shopping Centre – Issue 1);
 - e) the REIT Manager's Letter of Undertaking (Issue 1);
 - f) the REIT Trustee's Letter of Undertaking (Issue 1);
 - g) the Assignment and Charge over REIT Trustee's Designated Accounts (Issue 1);
 - h) the Assignment and Charge over Issuer's Designated Account (Issue 1);
 - i) the Assignment of Sale and Purchase Agreement (Issue 1);
 - j) the Assignment of REIT Trustee Financing Agreement (Issue 1); and
 - k) the Power of Attorney (Issue 1)

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Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN
Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1 (in relation to KIPMall Tampoi, KIPMall Masai, KIPMall Bangi and AEON Mall Kinta City Shopping Centre) (“Issue 1”)**

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- (4) the Statement of Particulars to be Lodged with Charge in relation to the charge created under each the Specific Debenture (KIPMall Tampoi – Issue 1), the Specific Debenture (KIPMall Masai – Issue 1), the Specific Debenture (KIPMall Bangi – Issue 1), the Specific Debenture (AEON Mall Kinta City Shopping Centre – Issue 1), the Assignment and Charge over REIT Trustee’s Designated Accounts (Issue 1), the Assignment and Charge over Issuer’s Designated Account (Issue 1), the Assignment of Sale and Purchase Agreement (Issue 1) and Assignment of REIT Trustee Financing Agreement (Issue 1), has been filed with the Companies Commission of Malaysia (“**CCM**”);
 - (5) the power of attorney clause contained in the relevant security documents under subparagraph 3 above has been registered with the High Court of Malaya;
 - (6) the notice of assignment of the following security documents have been served by the Issuer and the REIT Trustee on the relevant counterparty, and the acknowledgement of such notice of assignment has been received by the Security Trustee:-
 - a) the Assignment and Charge over REIT Trustee’s Designated Accounts (Issue 1) in relation to the relevant Designated Account(s) for AEON Mall Kinta City Shopping Centre;
 - b) the Assignment and Charge over Issuer’s Designated Account (Issue 1);
 - c) the Assignment of Sale and Purchase Agreement (Issue 1); and
 - d) the Assignment of REIT Trustee Financing Agreement (Issue 1);
 - (7) the receipt of the winding up search report or in the absence of the winding up search report, a Statutory Declaration of the Issuer, the REIT Trustee and the REIT Manager confirming that none of the Issuer, the REIT Trustee and the REIT Manager are wound up;

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- (8) a private caveat in favour of the Security Trustee shall have been lodged on the Secured Properties – Issue 1;
 - (9) documentary evidence showing that consent from the state authority for the Land Charge (KIPMall Bangi – Issue 1) has been obtained;
 - (10) the original issue document of title in respect of KIPMall Bangi shall be deposited with the Solicitor;
 - (11) the receipt of land search result over the Secured Properties – Issue 1 to the satisfaction of the LM;
 - (12) the receipt of undertaking cum redemption letter from the existing financier/lender of the Existing Financings of the Issuer or KIP REIT (which is secured against KIPMall Tampoi, KIPMall Masai and KIPMall Bangi), confirming the redemption amount, and its undertaking to release KIPMall Tampoi, KIPMall Masai and KIPMall Bangi upon full repayment/settlement, in form and substance acceptance to the LM;
 - (13) in relation to AEON Mall Kinta City Shopping Centre, the receipt of the following:-
 - (a) a copy of the duly executed, stamped and registrable memorandum of transfer (“**MOT**”) in favour of the REIT Trustee together with all relevant documents, fees and penalty (if any) for the presentation of the MOT under the provisions of the National Land Code, 1965;
 - (b) documentary evidence confirming *inter alia* the total purchase consideration, the deposit amount and/or the outstanding purchase consideration and all other costs and expenses payable in connection with the acquisition of AEON Mall Kinta City Shopping Centre;

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- (c) documentary evidence confirming that the differential sum between the total purchase price and the proceeds of the issuance has been settled by or on behalf of the REIT Trustee or receipt of an irrevocable letter of undertaking from the REIT Trustee undertaking that it will settle the differential sum between the total purchase price and the proceeds of the issuance;
 - (d) an undertaking in form and substance acceptable to the LM:-
 - (i) from the Vendor, to refund fully the issuance proceeds released to the Vendor or to hold AEON Mall Kinta City Shopping Centre on trust for the Trustee, as the case may be, in the event the transfer of AEON Mall Kinta City Shopping Centre in favour of the REIT Trustee cannot be registered for any reason whatsoever attributable to the Vendor; and/or
 - (ii) from the Vendor’s financier, to refund fully the issuance proceeds released to the Vendor’s financier, in the event the security created over AEON Mall Kinta City Shopping Centre cannot be discharged or released;
 - (e) the original redemption statement and undertaking from the existing lender or financier of the Vendor, in form and substance acceptable to the LM;
 - (f) certified true copy of the REIT Trustee’s board of director’s resolution and the shareholders’ resolution, if required, for the acquisition of AEON Mall Kinta City Shopping Centre;
 - (g) certified true copy of the Vendor’s board of director’s resolution, the shareholders’ resolution, if required,

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and all relevant constitutional documents of the Vendor;

- (h) legal opinion from the solicitor acting for the REIT Trustee in relation to the SPA that all conditions precedent of the SPA have been duly fulfilled and the SPA has become unconditional;
- (14) the receipt of a confirmation from the Issuer confirming that the Financial Covenants for Issue 1 are complied with and will continue to be complied after the proposed issuance;
- (15) the receipt of a confirmation from the REIT Trustee confirming that the Gearing Ratio is complied with and will continue to be complied after the proposed issuance;
- (16) no Trigger Event and / or Event of Default under Issue 1 has occurred or continues to subsist;
- (17) the receipt of a tenancy listing in respect to KIPMall Tampoi, KIPMall Masai and KIPMall Bangi and a certified true copy of the lease agreement / tenancy agreement of all the lessee / tenant of the Secured Properties – Issue 1;
- (18) the receipt of legal opinion from the Solicitor addressed to the LM confirming that (i) the relevant Transaction Documents relating to Issue 1 are legal, valid, binding and enforceable; and (ii) all conditions precedent to Issue 1 have been fulfilled unless otherwise waived by the LM;
- (19) for Rated Tranche of Issue 1, the MTNs shall have been assigned with rating acceptable to the Issuer and the LM and stated in the relevant Transaction Documents and/or pricing supplement for Issue 1;
- (20) for unrated MTNs under Issue 1, the confirmation from the potential investors to the LM that:-
 - (a) they do not require rating for the MTNs that they intend to subscribe; and

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- (b) agreeing or undertaking to subscribe to Unrated Tranche of Issue 1 or unrated Class of Issue 1, as the case may be.
- (21) the LM shall have received valuation report in respect of Secured Properties – Issue 1, which shall be dated not more than 1 year prior to the date of the proposed issuance of Issue 1, to the satisfaction of the LM;
- (22) the LM shall have received the documentary evidence showing that authorisations/instructions have been issued by the REIT Trustee to the account bank to transfer all amounts standing to the credit of each of the Individual Collection Accounts – Issue 1 to the Master Collection Account – Issue 1 on weekly basis;
- (23) the LM shall have received legal due diligence report on the Secured Properties – Issue 1 satisfactory to the LM;
- (24) the LM shall have received a certified true copy of the SPA; and
- (25) such other conditions precedent as may be imposed by the rating agency (for rated issuance) and/or investors and advised by the Solicitors and mutually agreed by the LM, the Issuer, the REIT Manager and the REIT Trustee, and will be set out in the relevant Transaction Documents.

Conditions Subsequent after first issuance under Issue 1

- (1) within fifteen (15) business days from the date of issuance, evidence that the valid and registrable forms (including but not limited to all forms prescribed by the CCM) or documents (whether or not prescribed by law) which shall include but not limited to executed valid, registrable and effective deed of receipt and reassignment, discharge of charge and/or deed of revocation (as the case may be) and all necessary documents required for the discharge

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of the security created over KIPMall Tampoi, KIPMall Masai and KIPMall Bangi (collectively, the “**Release Documents**”), shall have been delivered to the solicitors, Messrs Albar & Partners;

(2) within thirty (30) business days from Messrs Albar & Partners’ date of receipt of the Release Documents, the LM shall have received:-

(a) evidence that the Release Documents have been presented for registration at the CCM, or discharge with the relevant land office, or revocation of the power of attorney at the High Court of Malaya, as the case may be;

(b) the Land Charge (KIPMall Tampoi – Issue 1), the Land Charge (KIPMall Masai – Issue 1) and the Land Charge (KIPMall Bangi – Issue 1) shall have been executed, endorsed as exempted from stamp duty and presented for registration at the relevant land office;

(c) evidence that the Statement of Particulars to be Lodged with Charge in relation to the charges created under the Land Charge (KIPMall Tampoi – Issue 1) the Land Charge (KIPMall Masai – Issue 1) and the Land Charge (KIPMall Bangi – Issue 1), for the purpose of registration of such charges with the CCM in accordance with the Companies Act, have been duly lodged with the CCM;

(d) the Assignment of Tenancy Agreements (Issue 1) and the Assignment of Insurances (Issue 1) have been duly executed by the parties thereto and endorsed as exempted from stamp duty; and

(e) evidence satisfactory that the relevant notice of assignment of the Assignment and Charge over REIT Trustee’s Designated Accounts (Issue 1), the Assignment of Insurances (Issue 1) and

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the Assignment of Tenancy Agreements (Issue 1) have been served by the REIT Trustee on the relevant counterparty, together with a copy of such notice of assignment;

- (3) within sixty (60) business days from the date of issuance, the acknowledgement of such notice of assignment of the Assignment and Charge over REIT Trustee’s Designated Accounts (Issue 1) and the Assignment of Insurances (Issue 1) have been received by the Security Trustee;
- (4) within sixty (60) business days from the date of issuance, the acknowledgement of such notice of assignment of the Assignment of Tenancy Agreements (Issue 1) in respect of the tenancy agreements by tenants who are the top 50% of revenue contributors of KIPMall Tampoi, KIPMall Masai and KIPMall Bangi, respectively have been received by the Security Trustee;
- (5) in relation to AEON Mall Kinta City Shopping Centre:-
 - (a) within seven (7) business days from the date of issuance, documentary evidence showing that the REIT Trustee has written to the relevant counterparty for its consent or no objection in relation to the assignment of the lease agreement in favour of the Security Trustee;
 - (b) within six (6) months on best effort basis, failing which nine (9) months from the date of issuance:-
 - a. the Land Charge (AEON Mall Kinta City Shopping Centre – Issue 1) shall have been executed, endorsed as exempted from stamp duty and presented for registration at the relevant land office;
 - b. the relevant notice of assignment of the Assignment of Insurances (Issue 1) and the Assignment of

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Tenancy Agreements (Issue 1) have been served by the REIT Trustee on the relevant counterparty, and the acknowledgement of such notice of assignment has been received by the Security Trustee; and

- c. evidence that the Statement of Particulars to be Lodged with Charge in relation to the charge created under the Land Charge (AEON Mall Kinta City Shopping Centre – Issue 1) for the purpose of registration of such charges with the CCM in accordance with the Companies Act, have been duly lodged with the CCM,

provided that a status update on the abovementioned conditions on monthly basis shall be provided by the REIT Trustee to the Security Trustee and rating agency.

Conditions Precedent for further issuance under the Issue 1:-

In addition to the conditions precedent for further issuance of the Relevant Issue stated in the Master Lodgement Form, the conditions precedent for further issuance under Issue 1 shall also include the following:-

1. the receipt of rating affirmation from the rating agency that the rating will not be affected by the further issuance, in the event there are outstanding rated MTNs under Issue 1.

(14) Representations and Warranties

All representations and warranties under the Master Lodgement Form shall be applicable to Issue 1. In addition, the following representations and warranties shall also be applicable for Issue 1:

1. the Issuer has the power to provide Issue 1 Security to which it is a security party, and to enter into, exercise its rights and perform its obligations thereunder;

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2. the REIT Trustee has the power to, on behalf of KIP REIT, provide Issue 1 Security to which it is a security party, and to enter into, exercise its rights and perform its obligations thereunder;
3. the REIT Manager has the power to, in its capacity as manager of KIP REIT, provide the REIT Manager’s Letter of Undertaking, and to enter into, exercise its rights and perform its obligations thereunder;
4. all necessary actions, authorisations and consents required for the performance of the Issuer and/or the REIT Trustee under the security documents for Issue 1 Security (to which it is a party) have been taken, fulfilled and obtained and remain in full force and effect;
5. all necessary actions, authorisations and consents required for the performance of the REIT Manager under the REIT Manager’s Letter of Undertaking have been taken, fulfilled and obtained and remain in full force and effect;
6. the Issuer’s and/or the REIT Trustee’s entry into, exercise of their respective rights under and performance of the security documents for Issue 1 Security (to which it is a party) do not and will not violate any existing law or any agreements to which any of them is a party;
7. the REIT Manager’s entry into, exercise of its rights under and performance of the REIT Manager’s Letter of Undertaking do not and will not violate any existing law or any agreements;
8. the SPA is legal, valid and binding and is subsisting; and
9. save and except as contemplated under Issue 1, the REIT Trustee has not assigned, transferred or encumbered any of its rights, titles and interest under the SPA.

(15) Events of default or enforcement events, where applicable : All Events of Default under the Master Lodgement Form shall be applicable for Issue 1.

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OTHER TERMS AND CONDITIONS

- (1) **Details on Utilisation of Proceeds** : Proceeds raised from the issuance of each Tranche(s) under the Issue 1 are more particularly specified in the pricing supplement and post-issuance notice to be submitted to the SC of such Tranche(s).
- (2) **Status** : The Issue 1 shall constitute direct, secured, unconditional and unsubordinated debt obligations of the Issuer and shall rank:-
- (a) in accordance with the ranking as stated in the Master Lodgement Form among themselves; and
 - (b) at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer,
- subject to those preferred by law and under the Transaction Documents.
- (3) **Trigger Events** : All Trigger Events under the Master Lodgement Form shall be applicable for Issue 1.
- Upon the occurrence of a Trigger Event under Issue 1, the Security Trustee shall, whilst such Trigger Event is still subsisting, proceed with the disposal of the Secured Properties – Issue 1.
- The disposal process shall be managed by the Security Trustee, under the rights conferred to the Security Trustee pursuant to a Power of Attorney – Issue 1 that is to be executed in favour of the Security Trustee to sell the Secured Properties – Issue 1. The disposal price shall be determined in accordance with a pre-agreed mechanism (i.e. with reference to a valuation by a valuer acceptable to the Security Trustee) subject always to the REIT Guidelines.
- The sale proceeds from the disposal of the Secured Properties – Issue 1 shall be deposited into the Proceeds Account – Issue 1, and shall be utilised in accordance to the provision of Proceeds Account – Issue 1 for the redemption of outstanding MTNs of Issue 1 in order of its ranking, and thereafter any residual

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amount shall be returned to the Issuer or the REIT Trustee or such other person entitled thereto.

For avoidance of doubt, the occurrence of a Trigger Event under Issue 1 will not affect the other Issues of MTNs where a Trigger Event has not occurred.

Upon the occurrence of Trigger Event under all Issues, the MTN Programme shall be cancelled.

Stepped-up Coupon During Trigger Event

Upon the occurrence of a Trigger Event and during the period where such Trigger Event remains subsisting, the Issuer shall pay the stepped-up coupon on the outstanding amount of such MTNs at such rate as set out in the relevant Transaction Documents and/or the pricing supplement for Issue 1.

- (4) **Other Covenants** : To be agreed between the Issuer, the REIT Manager, the REIT Trustee and the Trustee, but expected to include provisions standard to financing of this nature including but not limited to clauses such as the usual representation and warranties, conditions precedent, positive and negative covenants, etc.
- (5) **Taxes** : All payments in respect of Issue 1 shall be made by the Issuer subject to withholding or deductions for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by the Government of Malaysia or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer shall be obliged to gross up for such withholdings or deductions. For the avoidance of doubt, the Issuer’s obligation to gross up does not apply to tax on the general income of the holders of the MTN.
- (6) **Documentation** : The terms and conditions of the Issue 1 shall be set out in various agreements in form and substance acceptable to the LA and the Issuer.
- (7) **Limited Recourse** : Issue 1 is limited recourse in nature in that payment obligation of the Issuer under Issue 1 and the payment obligations of the REIT Trustee under the relevant security documents for Issue 1 are limited to the extent

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of the Issue 1 Security. If the net proceeds from the realisation of the Secured Properties – Issue 1 are not sufficient to make all payments due to the holders of Issue 1, the holders of Issue 1 will have no further claim against the Issuer or the REIT Trustee in respect of such shortfall and any unsatisfied claims shall be extinguished.

(8) Provisions on buy-back : Repurchase and Cancellation

The Issuer or its subsidiary(ies), if any, or its agent(s) may purchase the MTNs under Issue 1 at any price in the open market or by private treaty. All MTNs under Issue 1 purchased and cancelled shall not be resold. New MTNs under Issue 1 may be issued and subject to the limit of the MTN Programme and within the tenure prescribed thereunder.

The MTNs under Issue 1 purchased by the interested person (as defined in the Trust Deeds Guidelines) of the Issuer need not be cancelled but such MTNs under Issue 1 so purchased and held by the interested person of the Issuer will not be counted for purposes of voting at any meeting of the holders of the MTNs under Issue 1.

Redemption

Unless previously redeemed in accordance with the terms of Issue 1, purchased and cancelled, the MTNs under Issue 1 shall be redeemed by the Issuer at their respective nominal value on their respective Expected Maturity Date(s).

For avoidance doubt, the non-payment of the outstanding MTNs under MTN Issue 1 on its Expected Maturity Date will not in itself constitute an Event of Default under the Issue 1, but a Trigger Event under Issue 1 is deemed to have occurred. The non-payment of the MTNs under Issue 1 on its Legal Maturity Date will be an Event of Default under Issue 1.

All MTNs under Issue 1 redeemed or purchased may not be reissued. However, the Issuer can issue fresh MTNs under the MTN Programme provided always the outstanding MTNs (other than existing MTNs which will be refinanced by fresh issuance of MTNs) at any time shall not exceed the limit of the MTN Programme.

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Special Redemption Pursuant to Trigger Event under Issue 1 / Mandatory Redemption

Upon receipt of the proceeds from the disposal of the relevant Secured Properties – Issue 1 in full pursuant to:-

- (a) the occurrence of a Trigger Event under Issue 1 and exercise of the Power of Attorney (Issue 1) by the Security Trustee; or
- (b) the occurrence of Mandatory Redemption in the section entitled “*Mandatory Redemption, Other Terms and Conditions*” of the Master Lodgement Form,

and receipt of written notification by the Trustee from the Security Trustee, the disposal proceeds shall immediately be applied towards redemption of the outstanding MTNs of Issue 1 (in accordance with the priority of ranking of the MTNs), and the holders of MTNs of Issue 1 shall be obligated to allow the outstanding MTNs of Issue 1 to be redeemed.

- (9) Provision on early redemption** : The Issuer may early redeem Issue 1 in whole (but not in part) on any coupon payment dates at the nominal value of the Issue 1, provided that:-
- a) the Issuer has given the holders of Issue 1 not less than thirty (30) business days written notice stating the nominal value to be early redeemed;
 - b) the Issuer has paid to the holders of Issue 1 an early redemption premium amount (if applicable) to be agreed between the Issuer and the holders of Issue 1 as a result of such early redemption (“**Early Redemption Premium**”);
 - c) the Issuer has paid in full all accrued coupon and other amount due on such early redemption date; and
 - d) such other terms as maybe agreed between the holders of Issue 1 and the Issuer.

For the avoidance of doubt, the Early Redemption Premium may be waived by the holders of Issue 1 at its sole discretion. In the event the Issuer undertakes and the holders of Issue 1 participate(s) (in its capacity as

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lender, investor or otherwise) in a fund raising exercise which refinances the Issue 1, without prejudice to the rights of the holders of Issue 1, the consent from the holders of Issue 1 in waiving the Early Redemption Premium shall not be unreasonably withheld.

(10) Voting : For purposes of voting under Issue 1

All voting under Issue 1 shall:-

- (a) for all matters, including declaration of an Event of Default but other than enforcement of securities, be carried out on “per Class” basis whereby:-
 - (i) the holders of each Class of MTNs under Issue 1 shall, within their own Class, be entitled to vote on such matter relating to Issue 1. For avoidance of doubt and for the purpose of voting, the following shall be treated as single Class:-;
 - (1) the same Class for multiple Tranches under Issue 1; and
 - (2) the Most Senior MTNs under Issue 1; and
 - (ii) the decision of the majority holders of the Most Senior MTNs (or if there is no Most Senior MTNs, the next most senior Class of MTNs) of Issue 1 shall bind all other holders of Issue 1;
- (b) for enforcement of Issue 1 Security pursuant to the declaration of an Event of Default, be carried out in the following manner whereby:-
 - (i) all holders of the Most Senior MTNs shall be treated as a single class and be entitled to vote on the enforcement of the Issue 1 Security; and
 - (ii) the decision of the majority of the holders of the Most Senior MTNs (or if there is no Most Senior MTNs, the next most senior Class of MTNs) shall bind all other holders of the Issue 1.

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OTHER INFORMATION IN RELATION TO THE LODGEMENT

- (1) **Detailed information of the existing corporate bonds or sukuk issue or loans/financing to be refinanced by the facility/programme, if applicable** : Part of the proceeds from the issuance of the MTNs under Issue 1 shall be utilised by the Issuer to advance to KIP REIT pursuant to the REIT Trustee Financing Agreement - Issue 1 to refinance the following loans/financings:-
- (a) the credit facilities of up to the maximum aggregate principal amount of RM97,000,000.00 granted by OCBC Bank (Malaysia) Berhad to the REIT Trustee; and
 - (b) the terms loan facilities of up to RM7,650,000.00 granted by OCBC Bank (Malaysia) Berhad to the REIT Trustee.

As at 15 June 2019, the total outstanding amount is RM93,688.500.00.